

From: Davidson, Pam (OFM)
Sent: Sunday, July 31, 2011 6:54 PM
To: 'BASS@LISTSERV.WA.GOV'
Cc: OFM dl B-ANALYSTS
Subject: [BASS] All: cash estimate guideline numbers per allotment instructions

To agency budget staff: Please note, this email pertains to allotment instructions (both operating and capital). If you are not involved in allotments for your agency, you may disregard this message.

In light of the need for agencies to include cash disbursement and cash receipt estimates in their allotments, and the confusion often associated with these estimates, we are sending cash guideline percentages by agency, account, and fiscal year in hopes this will assist agencies in this process. This year's allotment instructions include the following in Section 2.6:

"OFM will provide approximate cash control amounts for agencies to use once the final enacted budget is available. The combination of using these control numbers, and the cash tool for the patterning, will help ensure that allotment packets are not likely to be rejected because of the cash estimates."

The attached spreadsheet contains information for all agencies for allotted, mixed, and higher education accounts. Feel free to hide the rows that don't pertain to your agency to make it easier to use (it doesn't work to use the column filters, because the percentage columns are not a part of the pivot table, so filtering out other agencies causes the percentage columns to be misaligned). The two columns on the right of the spreadsheet represent percentages that reflect:

1. the percentage that cash disbursements are of the total of cash disbursements and expenditure accruals (GAAP), and
2. the percentage that cash receipts are of the total of cash receipts and revenue accruals (GAAP).

If your agency does not collect revenue at all, your second column for revenue will just reflect NA (not applicable).

To make use of these percentage guidelines, you should assess whether the amounts make sense as to how you operate in each account. For example, because these are actuals from 2009-11 AFRS data, some amounts may include error corrections in accounts your agency does not use, so those should be disregarded. Similarly, there may be amounts from accounts that your agency spent from in 2009-11, but will not be spending from in 2011-13, so those should also be disregarded.

You would then, for each account, use the percentage to determine the amount to put into the TALS cash tool in your allotment package. For example, if the General Fund shows that your cash disbursements are 97% of your GAAP expenditures, multiply your General Fund 2011-13 total allotment by 97%, and put that amount (in whole dollars) into the cash tool, and use the cash patterning to spread that amount by month. Repeat for each account, and similarly, use the cash receipt percentages on the revenue side of the system for cash receipt estimates. If the percentage for an account is 100%, then there is no (or not significant) difference between cash and GAAP.

Please note also that while mixed accounts and higher education local accounts are on the list, some of these accounts are only partially allotted, or not allotted at all, so you can disregard the percentages in those cases. Please remember, we are trying this for the first time, so it will not work in all cases. We hope it is the beginning of an improvement to the allotment process, and I would welcome your suggestions and comments on better ways to accomplish this part of your allotment packages. Thank you.

Pam Davidson, Senior Budget Assistant to the Governor

Office of Financial Management
Budget Division
P. O. Box 43113
Olympia, WA 98504
Phone: (360) 902-0550
Fax: (360) 902-0680
Email: Pam.Davidson@ofm.wa.gov