



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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OFM DIRECTIVE 09A-06

TO: Agency Directors and Policy Manual Users

FROM: /s/ Sadie Rodriguez-Hawkins, Senior Assistant Director
Accounting Division

SUBJECT: Chapter 10 - Travel; Chapter 15 - Personal Service Contracts; Chapter 25 - Payroll; Chapter 30 - Capital Assets; Chapter 45 - Purchase Cards; Chapter 50 - Federal Compliance; Chapter 75 - Uniform Chart of Accounts; Chapter 80 - Accounting Policies; Chapter 85 - Accounting Procedures; and Glossary

We have revised several chapters of the *State Administrative and Accounting Manual* (SAAM), effective July 1, 2009.

Key changes to the policies include:

Chapter 10: Travel (<http://www.ofm.wa.gov/policy/10.htm>)
(Sections 10.00, 10.10, and 10.20)

- Removed Section 10.00, Out-of-State Travel Restrictions and related references, pertaining to ESSB 5460 and HB 2328.
- Added parking tickets, citations, and infractions to list of non-reimbursable travel expenses.

Chapter 15: Personal Service Contracts (<http://www.ofm.wa.gov/policy/15.htm>)
(Section 15.00)

- Removed Section 15.00, Personal Service Contract Restrictions, pertaining to ESSB 5460 and HB 2328.

Chapter 25: Payroll (<http://www.ofm.wa.gov/policy/25.htm>)
(Sections 25.10, 25.20, 25.40, and 25.70)

- Clarified language for requirements related to the payroll revolving account, local accounts, and other accounts used for payroll activities.
- Revised the shared leave fringe benefits rate to 42%.

Chapter 25: Payroll (con't)

- Changed the formula for reverting shared leave hours to use original total salary rate for all affected employees.
- Each biennium, per RCW 49.48.120(2), OFM reviews the amount of indebtedness that can be paid to the estate of a deceased employee. The amount remains at \$11,500.

Chapter 30: Capital Assets (<http://www.ofm.wa.gov/policy/30.htm>)

(Sections 30.20, 30.30, 30.45 and 30.50)

- Added new policies for capitalization of intangible assets for implementation of Governmental Accounting Standards Board (GASB) Statement No. 51, "Accounting and Financial Reporting for Intangible Assets."
- Added language to allow agencies to conduct a risk-based approach for their physical inventory of capital assets with approval from OFM.
- Added intangible class codes to A0XX, 03XX, and 80XX. Removed software class codes 7030 and 7031.

Chapter 45: Purchase Cards (<http://www.ofm.wa.gov/policy/45.htm>)

(Section 45.10)

- Added the acceptable use of purchase cards between Washington State agencies when used between a treasury and local account and when the receiving agency agrees to accept the interagency purchase card payments.
- Added allowance for an agency to choose to include an individual's name on a department card.
- Clarified the cardholder of an individually assigned card should be an agency employee.

Chapter 50: Federal Compliance (<http://www.ofm.wa.gov/policy/50.htm>)

(Sections 50.20, 50.30, and 50.40)

- Decreased the threshold for programs subject to CMIA regulations to \$30 million or more.
- Clarified references to the Office of Management and Budget (OMB) circulars.

Chapter 75: Uniform Chart of Accounts (<http://www.ofm.wa.gov/policy/75.htm>)

(Sections 75.10, 75.20, 75.30, 75.40, 75.70, and 75.80)

- Clarified and defined Mandatory and Agency Defined Code types.
- Changed name of agencies: 1030 to Department of Commerce (COM) and 3530 to Washington State Center for Childhood Deafness and Hearing Loss (CDHL).
- Combined agency 5270 (Barley Commission) with 5350 (Wheat Commission) to form the Grain Commission (GRAIN), agency 5350.
- Added new Debt Service rollup fund: CD Transportation Revenue Bond Fund.
- Deleted Fiduciary rollup fund: JA Human Services Trust Fund.
- Changed rollup fund materiality level amounts: Printing Services, Judicial Retirement Fund, Judges Supplemental Retirement Defined Contribution Fund, and Judges Retirement Fund.

Chapter 75: Uniform Chart of Accounts (con't)

- Added new accounts: 14J, 14W, 15L, 15M, 15N, 15P, 15R, 15T, 15V, 15W, 16A, 16B, 16C, 16E, 16F, 16G, 16H, 16J, 16K, 389, and 444.
- Deleted accounts: 004, 02V, 04N, 06B, 07G, 09V, 139, 181, 227, 282, 299, 506, 742, 760, 764, and 832.
- Changed name of accounts: 15G, 480, and 485.
- Changed rollup fund of account: 526.
- Changed budget type of accounts: 025, 12H, 743, 780, 800, 874, and 878.
- Changed administrative agency of account: 874.
- Added new general ledger (GL) codes: 1667, 2140, 2470, 2480, 5167, and 5267
- Deleted GL codes: 1657 and 5257.
- Changed name of GL codes: 2410, 2420, 6511, 6591, and 7130.
- Revised description of GL codes: 2110, 6511, 6591, 7140, 9556, and 9557.
- Added new subobject codes: EY, JB, JQ, and JR.
- Deleted subobject code: AQ.
- Changed name of subobject codes: EB, EH, EL, JA, JC, and WA
- Revised description of subobject codes: BD, BR, CH, CJ, EB, ED, EE, EG, EH, EJ, EL, ER, GA, GF, JA, JC, JD, JE, JF, SE, SJ, TE, TJ, WA, and WB.
- Added new revenue source code: 0659.
- Deleted revenue source codes: 0257, 0403, 0408, 0419, 0428, 0429, 0431, 0474, 0488, 0495, 04TH, 0549, and 0656.
- Changed name of revenue source codes: 0258, 0401, 0423, 0484, and 0492.
- Revised descriptions of revenue source codes: 0523 and 0597.
- Added descriptions for the 0400 State Charges and Miscellaneous revenue source codes.

Chapter 80: Accounting Policies (<http://www.ofm.wa.gov/policy/80.htm>)

(Sections 80.20 and 80.30)

- Revised GAAP hierarchy for implementation of GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."
- Revised capital assets policy for implementation of GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets."

Chapter 85: Accounting Procedures (<http://www.ofm.wa.gov/policy/85.htm>)

(Sections 85.10, 85.20, 85.22, 85.24, 85.32, 85.36, 85.38, 85.50, 85.52, 85.54, 85.56, 85.60, 85.65, 85.70, 85.72, 85.74, 85.85, and 85.90)

- Clarified language for collection and deposit of cash receipts.
- Added subsection 85.24.65 illustrative entry for recording receipt of returned AFRS EFT payment.
- Clarified language for recording losses in permanent funds, and separate tracking of expendable and nonexpendable fund balance.
- Revised capital assets policy and added amortization of capital assets for intangible assets.
- Clarified language for changes in condition of impaired capital assets.
- Clarified pollution remediation obligations policy for governmental fund type accounts, and proprietary and trust fund type accounts.
- Revised policy on reimbursements (objects S & T).

In effort to conserve resources and save paper, OFM will no longer provide paper copies for your hardcopy policy manual. A link to the replacement pages for your hardcopy manual is available on OFM's website at: <http://www.ofm.wa.gov/policy/replacement-pages.asp>.

Please replace the following pages in your policy manual:

Chapter 10	Table of contents and pages 7-10 (remove Section 10.00)
Chapter 15	Table of contents only (remove Section 15.00)
Chapter 25	Entire chapter
Chapter 30	Entire chapter
Chapter 45	Table of contents and pages 1-12
Chapter 50	Table of contents and pages 1-36
Chapter 75	Entire chapter
Chapter 80	Entire chapter
Chapter 85	Entire chapter

The policies and procedures prescribed in SAAM are the minimum requirements that state agencies must meet. An agency may adopt more restrictive or detailed policies as long as the agency meets the required minimum standards.

We encourage you to use the online version of SAAM. All OFM directives, policies, technical corrections, and superseded policies are available at: <http://www.ofm.wa.gov/policy/default.asp>.

Unless noted otherwise, questions regarding manual content and proper interpretation should be directed to the OFM Accounting Consultant assigned to your agency. You can find your agency's OFM Accounting Consultant at: <http://www.ofm.wa.gov/accounting/swa/swacontacts.asp>.

Attachments