



The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

Chart of Accounts Update

In January 2017, the Chart of Accounts (COA) Sub-subobject (SSO) Project, sponsored jointly by One Washington and Statewide Accounting, published its first statewide draft SSO table along with definitions. To see the new SSO listing, go to the OFM Accounting webpage and look under the “What’s new” banner to find the [Chart of Accounts Project](#).

Since the draft SSO table was published, we have been very pleased with agency engagement in this project. Agencies have been reaching out to Statewide Accounting to discuss their specific SSO needs and have also sent us a good number of questions about the new SSOs and definitions. These questions and discussions with agencies have been a learning opportunity for us and, more importantly, the source of additional SSOs and improved SSO titles and definitions.

Throughout this process, we have been impressed with agencies’ analysis and thoughtfulness. Believe it or not, some agencies decided a certain number of their codes were not really that useful and asked to have these agency-specific SSOs removed from the table. We happily accommodated these requests! If you want to see all of the changes made since the initial draft, go to the “Statewide sub-sub object table change log” on the COA project webpage.

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2016 Single Audit

The 2016 Single Audit Report is now available online at <http://ofm.wa.gov/singleaudit/2016/default.asp>. The Single Audit must be filed with the federal clearinghouse within nine months of the fiscal year end. While it was a scramble at the end, we were able to meet the filing deadline. We thank all agencies who contributed to making this possible.

A few highlights of this year’s Single Audit:

	2016	2015	2014
Federal Assistance Expenditures	\$ 17.2 Billion	\$ 17 Billion	\$ 15.7 Billion
Questioned Costs	\$ 18.4 Million	\$ 28.7 Million	\$ 3.9 Million
Total number of findings	50	56	55
Activities Allowed/Unallowed, Allowable Costs/Cost Principles	22	21	20
Special Test and Provisions	22	13	7
Eligibility	6	11	4
Subrecipient Monitoring	1	3	3

The implementation of the Uniform Guidance’s new streamlined administrative requirements and cost principles did not appear to have a significant impact on the results of the 2016 single audit.

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If you have questions or comments on any information contained in The Connection, please contact Anwar Wilson at anwar.wilson@ofm.wa.gov.

Statewide Accounting has some new faces

Kennesy Cavanah comes to OFM Statewide Accounting from the State Auditor's Office where she worked on the state audit team. Kennesy has over ten years of experience auditing school districts, local governments, and state agencies.

Next is Anna Quichocho who comes to us from Department of Labor and Industries where she worked for the last 3 years. Anna has experience working on the Department of Labor and Industries' financial statements and implementing process improvements.

We are very excited to have these two new consultants join our team. Check the OFM Accounting Consultant list at <http://ofm.wa.gov/accounting/swa/swacontactsbyagency.asp> for up-to-date consultant assignments by agency, and please welcome our newest additions!

AFRS Table Upload Process Now Available

In the winter edition of The Connection, we introduced a new process for updating certain AFRS tables using Excel templates. This table upload process is now available for the following tables:

- Program Index and related descriptor tables (D16-D20)
- Organization Index and related descriptor tables (D02-D06)
- Project Control and related descriptor tables (D42-D44)
- Cost Allocation System (CAS) Cost Objective table

WaTech is working to make the process available for other tables including two additional CAS tables, the Master Index, D36-Sub-sources, D07-Appropriation, and D13-Budget Unit.

Other than the Master Index, all the tables listed above are included in the AFRS biennium table roll process which will begin later this month (April). The table roll should work for most agencies whose chart of accounts has no major changes from last biennium. However, for medium or large agencies making significant changes to their chart of accounts, the new table upload process can be utilized for the available tables.

For some agencies, the most exciting news about the table upload is that WaTech is making very good progress on the Master Index table and, barring any unforeseen incidents, it will be available for agencies to load their Biennium 2019 Master Index records.

The user documentation for the AFRS automated table upload process provides detailed step-by-step instructions and can be found on WaTech's [Financial Systems Documentation by Group](#) webpage under AFRS. Note that using the table upload process requires some set up work, so agencies planning to use this process may want to get that done now.

If you have any questions, please contact Cheryl Hainje at cheryl.hainje@ofm.wa.gov or (360) 725-0193.

Another Fiscal Year is Coming to a Close

Hard as it is to believe, fiscal year 2017 year-end close is just around the corner. Below are the important fiscal year-end dates to keep in mind. Note the Phase 1B date for interagency receivable/payable balancing. For a small calendar to print out, go to http://ofm.wa.gov/resources/yearend/YE17_calendar.pdf.

Due Date	Reporting Item
June 30	Last day of the fiscal year; cash cutoff (refer to OST's closing schedule memo)
July 14	Disclosure Form application opens
July 21	Mail out interagency billings (whether based on actuals or estimates)
July 31	Phase 1 Close Agency accruals recorded. Prioritize interagency receivable/payable reconciliations as many agencies have an early internal close date.
August 18	Phase 1B Close <ul style="list-style-type: none"> • Certain state disclosure forms are due • Interagency receivable/payable balancing is due • Pollution remediation site status report is due
September 1	Phase 2 Close <ul style="list-style-type: none"> • Agency adjustments completed • Remaining State and Federal Disclosure Forms are due (not including certifications) • Disclosure Form application closes All agency adjusting entries made after Phase 2 require OFM approval.
September 13	State Financial Disclosure Certification form, including attachments, is due
January 31, 2018	Federal Assistance Certification form is due

If your agency cannot complete some or all of the Phase 1B disclosure forms and tasks by August 18, you will need to request an extension by sending a memo to your assigned OFM Accounting Consultant. The memo should list the items for which an extension is needed and the date by which your agency can complete the forms and tasks. The requested date can be no later than the end of Phase 2, September 1, 2017. Remember that completion of the disclosure forms requires all AFRS entries related to those forms to also be complete.

Chapters 90, State Reporting, and 95, Federal Assistance Reporting, in the *State Administrative and Accounting Manual* are updated every year to reflect changes in reporting requirements. The Chapter 90 update will be issued in May and Chapter 95 will be updated following the issuance of the Office of Management and Budget's Uniform Guidance. For additional information, please contact your assigned OFM Accounting Consultant.

Fiscal Year-End Training Classes Offered

Classes on both state and federal year-end closing procedures will be held May - July. For those people with year-end closing experience, we offer two short update classes that focus on current year changes and key items that we want to emphasize.

Class Name	Dates	Times	Duration
OFM - Fiscal Year-end Closing (State) – Update	June 1 June 13 June 20	10:30 – 12:00 10:30 – 12:00 10:30 – 12:00	1.5 hours
OFM - Fiscal Year-end Closing (Federal) – Update	June 1 June 13 June 20	9:00 – 10:15 9:00 – 10:15 9:00 – 10:15	1.25 hours

NOTE: We will not be offering the shortened version of the state and federal fiscal year-end closing update classes that are normally presented at the Financial Management Advisory Council (FMAC). Please plan to attend one of the other classes listed.

For people new to year-end closing, we also offer two half-day (4 hour) workshops. One workshop focuses on expenditures and payables; the other workshop focuses on revenues, reconciliations, and Phase 2 adjustments. These workshops are hands-on and include exercises. Space is limited in these workshops, so we ask that you read the detailed class descriptions and coordinate within your office so that each agency sends the appropriate staff to each class.

Class Name	Dates	Time	Duration
OFM - Fiscal Year-end Expenditures and Payables Workshop	June 8 June 14 June 21	1:00 – 5:00 1:00 – 5:00 1:00 – 5:00	4 hours
OFM - Fiscal Year-end Revenues, Reconciliations, & Phase 2 Adjustments Workshop	June 8 June 14 June 21	8:00 – 12:00 8:00 – 12:00 8:00 – 12:00	4 hours

We're also offering a class on understanding and completing the state disclosure forms. It is recommended that staff who will actually be completing the state disclosure forms attend this class. This class does not cover federal disclosure forms; federal forms are discussed in the Fiscal Year-end Closing (Federal) – Update class.

Class Name	Dates	Time	Duration
OFM - State Disclosure Forms	July 31	8:30 – 12:00	3.5 hours

To view class descriptions and register, go to the [Learning Management System](#) website. If you register but cannot attend, please cancel to make room for someone on the wait list.

Year-end classes will be held at the DES building at 1500 Jefferson St SE. Parking is limited so we recommend taking the DASH bus or walking if possible.

For additional information, please contact your assigned OFM Accounting Consultant.

Cash Management

The federal government enacted the Cash Management Improvement Act (CMIA) of 1990 to ensure greater efficiency, effectiveness, and equity in the exchange of funds between the federal government and the states, territories, and the District of Columbia. The CMIA regulations require the calculation of an interest liability due to the federal government when the state receives federal funds in advance of disbursement to vendors, sub-recipients, or program participants.

The state of Washington has a number of federal assistance programs that are governed by the CMIA through inclusion in our Treasury State Agreement (TSA). The TSA is renewed annually and specifies the techniques used by state agencies to draw grant funds from federal agencies (<http://www.ofm.wa.gov/tsa/default.asp>). The draw techniques are intended to be interest neutral.

Following the close of each fiscal year, the state must report to the federal government actual experience related to the agreed upon draw techniques. If federal funds weren't available to draw in accordance with the draw technique, then the federal government owes the state interest. If the state draws too early, then the state owes the federal government interest. In December, we submitted the annual report for fiscal year 2016 and requested a net federal interest payment of \$598. The minimal amount requested indicates that the TSA is working as designed.

Currently, OFM is working with agencies to gather information for the state fiscal year 2018 TSA for the federal programs covered.

Agencies with federal grants that are not covered by the TSA are still responsible to comply with CMIA and should review current methods used to draw federal funds and ensure that they incorporate good cash management.

If you have questions concerning cash management related to federal assistance programs, please contact Don Charlton at (360) 725-0200 or don.charlton@ofm.wa.gov.

Approved FY 2017 SWCAP Agreement

After a long delay, the fiscal year 2017 Statewide Cost Allocation Plan (SWCAP) has been approved by Health and Human Services and is available on the OFM website on the Statewide Accounting page [Statewide Cost Allocation Plan](#). The agreement lists each agency's share of the allowable statewide central service costs not recovered through direct central service fee or allocation to state agencies and institutions. These costs may be recoverable from agency's federal grants via indirect cost recovery. The webpage lists the current and prior federally approved agreements for the SWCAP.

Questions about the SWCAP should be directed to Mike Schaub at (360) 725-0225 or mike.schaub@ofm.wa.gov.

Spring Quarter Training Offered on a Variety of Subjects

We are pleased to announce that the following training classes will be offered this quarter. All classes will be taught by Statewide Accounting staff. For fiscal year-end training, refer to page 4.

Class Name	Dates	Times	Duration
Accounting for Payroll	April 6	8:30 – 4:00	7.5 hours
Introduction to GAAP in WA State	April 18	8:30 – 4:00	7.5 hours
Payroll Revolving Account Reconciliation	April 24	8:30 – 3:00	6.5 hours
Compliance: Travel Policies	April 26 May 30	8:30 – 4:00	7.5 hours
Health Insurance Reconciliation	May 16	1:15 – 4:45	3.5 hours
In-Process Report Training	May 17	1:00 – 4:30	3.5 hours
GL Reconciliation: Basics	May 31	8:30 – 12:00	3.5 hours
Accounting for Capital Assets	June 6	1:00 – 4:30	3.5 hours
Internal Control: Payroll	June 13	1:00 – 5:00	4.0 hours

To view class descriptions and register, go to the [Learning Management System](#) website.

Space is limited in all classes, so we ask that you read the detailed class descriptions and coordinate within your office so that you and your staff attend the right classes. If you register but cannot attend, please cancel to make room for someone on the wait list.

Many of our classes are held at our Capitol Court building now, so be sure to check the class location. Parking is limited so we recommend taking the DASH bus or walking if possible.

Additionally, the Association of Government Accountants (AGA) and Financial Management Advisory Council (FMAC) are sponsoring a number of audio conferences. The schedule is posted on the [Olympia AGA](#) and [FMAC](#) websites.

For assistance or additional information, please contact your assigned OFM Accounting Consultant.

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Of the 50 findings this year, 22 were related to Activities Allowed/Unallowed, and Allowable Costs/Cost Principles. Non-compliance in these federal requirements continued to be the leading cause for state findings. Agencies should note that these compliance requirements provide the basis and principles that grant recipients must adhere to when spending federal funds. The specific allowable activities or costs are unique to each federal program and are found in the laws, rules, and the provisions of contracts or grant agreements. Agencies should continue to focus on maintaining sufficient administrative and accounting controls to ensure compliance with the allowable activities and cost requirements of each grant as noted in the Office of Management and Budget's (OMB) Compliance Supplement.

This year, there were 22 findings related to Special Tests and Provisions, which was a significant increase from prior years. The specific requirements for Special Tests and Provisions are unique to each federal program and are found in the OMB Compliance Supplement and in the provisions of the contract or grant agreement for the program. Changes in federal spending may affect the complexity of grants and the level of restrictive terms and conditions. Federal grant administrators within agencies are encouraged to perform an adequate review of each program's contract and grant agreements, as well as federal laws and regulations, to identify unique compliance requirements.

If you have any questions or comments, please contact:
Sara Rupe at (360) 725-0189 or sara.rupe@ofm.wa.gov
Marina Yee at (360) 725-0221 or marina.yee@ofm.wa.gov

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The next step in this project is to assign a four-digit unique identifier to each SSO title. This is really important because not only the titles, but also the codes, will change for your agency (with the exception of most object N codes). Expect to see the new unique identifier numbers by the end of April.

We have come so far but, as we finalize the SSO table, we need your help to ensure it will meet your agency's business needs starting July 1. Please continue to review the SSO table and definitions in relation to your current SSOs and work within your agency to submit change request forms, questions, or concerns to your assigned OFM Accounting Consultant. We plan to load the new SSO table for the 2019 Biennium into AFRS at the end of April, so get your change requests in soon!