



85.32 Goods and Services Expenditures

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85.32.10 Agency responsibilities

July 1, 2008

It is the responsibility of the agency head, or authorized designee, to certify that all expenditures/expenses and disbursements are proper and correct.

Agencies are responsible for processing payments to authorized vendors, as defined in [Subsection 85.32.15](#), providing goods and services to the agency. Goods and services include but are not limited to products, services, materials, equipment, and travel reimbursements.

Agencies are to establish and implement procedures following generally accepted accounting principles. At a minimum, agencies are also to establish and implement the following:

1. Controls to ensure that all expenditures/expenses and disbursements are for lawful and proper purposes and recorded in a timely manner (refer to [Chapter 20](#) of this manual for guidance related to internal control procedures),
2. Procedures to ensure prompt and accurate payment of authorized obligations, and
3. Procedures to control cash disbursements.



85.32.15 Special definitions

Jan. 1, 2012

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.

Statewide Vendor - A vendor with a common vendor record maintained by the Office of Financial Management that can be used by any agency making a payment to that vendor. A Statewide Vendor (SWV) code is required for certain payment types (Inter-Agency Payments (IAP) and AFRS Automated Clearing House (ACH) payments to nonemployees).

85.32.20 Expenditure authorization

June 1, 2020

85.32.20.a

Goods and services are not to be ordered, contracted for, or paid for unless they are provided by authorized vendors and within the limitations prescribed by the Department of Enterprise Services, Contracts and Legal Division ([RCW 43.19.190](#) and [RCW 39.26](#)), or other statute.

85.32.20.b

Prior to payment authorization, agencies are to verify that the goods and services received comply with the specifications or scope of work indicated on the purchase or contract documents. Authorized personnel receiving the goods and services are to indicate the actual quantities received, services provided, deliverable submitted, etc. Refer to [Chapter 20](#) for guidance related to internal control procedures.

85.32.20.c

Agency heads or authorized designees are responsible for authorizing all expenditures/expenses.

85.32.25 Priority of expenditures

June 7, 2012

85.32.25.a

Pursuant to RCW [43.88.150](#):

Unless otherwise required by federal or other contractual requirement, where funding is available from both appropriated and nonappropriated sources for the same purpose, agencies are to charge expenditures



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in such a ratio as will conserve appropriated funds. For institutions of higher education, this subsection applies only to operating fee accounts.

85.32.25.b

Unless otherwise provided by law, federal or other contractual requirement, if state moneys are appropriated for a capital project and matching funds or other contributions are required as a condition for receipt of state moneys, state moneys shall be expended in proportion to and only to the extent that matching funds or other contributions are available for expenditure.

85.32.30 Payment processing documents

July 1, 2013

85.32.30.a

At a minimum, payment processing documentation should include evidence of authorization for purchase, receipt of goods or services, and approval for payment. Agencies may utilize paper or electronic forms. The following documentation, or equivalent, is to be maintained:

Journal Voucher (A7-A) - This form can be used for interagency payments between treasury and/or treasury trust accounts, and to allocate or transfer costs between accounts, programs, and to record accruals and other adjustments to account balances, etc. The Journal Voucher is also used to process non-AFRS Automated Clearing House (ACH) payments through the Office of the State Treasurer to outside vendors. Instead of Form A7-A, agencies are encouraged to use one of the A19 forms (refer below) with the Inter-Agency Payment (IAP) process. Refer to Subsection 85.36.20.

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. This form is available online at: Purchase Requisition (A15-A).

Purchase Order (A16, A16-A) - A form issued by the Department of Enterprise Services to order items approved on a purchase requisition (A15-A). This form is used by agencies to encumber, liquidate, and authorize payment for such purchase requisition requests.

Declaration of Emergency Purchase (A16-E) - A form used by agencies for emergency purchases under RCW 43.19.200 made for goods and services under the authority of the Department of Enterprise Services in response to unforeseen circumstances beyond the control of an agency which present a real, immediate, and extreme threat to the proper performance of essential functions and/or may be reasonably expected to result in excessive loss or damage to property, bodily injury, or loss of life. Written notification must be submitted within three days of the purchase to the director of Enterprise Services. This form is available online at: **Declaration of Emergency Purchase (A16-E)**.

Field Order (A17-A, A17-1A) - A purchase document or order issued by an agency to a vendor in accordance with authority to make a delegated purchase. This form is used by agencies to encumber,



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liquidate, and authorize payment for such purchases. This form is available online at: [Field Order \(A17-A, A17-1A\)](#).

[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 (A16-A) or Field Order (A17-A).

[Invoice Voucher \(A19-1A\)](#) - A form used by agencies to substantiate and authorize payment when a Purchase Order (A16-A) or Field Order (A17-A) is not involved and where vendor invoices are not employed. The Invoice Voucher is to be certified by the vendor. This form is used to produce warrants, pay by means of AFRS ACH, or to create payments through the IAP process. Refer to [Subsection 85.36.20](#). This form is available online at: <http://ofm.wa.gov/policy/invoicevoucher.xltx>.

[Voucher Distribution Form \(A19-2, A19-2A\)](#) - A form used by agencies to substantiate and authorize payment when a Purchase Order (A16-A) or Field Order (A17-A) is not involved but where vendor invoices are employed. This form is used to produce warrants, pay by means of AFRS ACH or to create payments through the IAP process. Refer to [Subsection 85.36.20](#). A voucher distribution form is available online at: [Voucher Distribution Form \(A19-2, A19-2A\)](#).

[Refund Voucher \(A19-3\)](#) - A form used by agencies to process refunds of revenues received in excess of the amount owed or received in error by the state.

[Travel Expense Voucher \(A20-A, A20-2A\)](#) - Form [A20-A](#) 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 non-state 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 non-state employees to substantiate travel costs, it must be attached to an Invoice Voucher (A19-1A) to authorize payment. A travel expense voucher form is available online at: [Travel Expense Voucher \(A20-A, A20-2A\)](#).

Form [A20-2A](#) is only used for reimbursing travel expenses of commission members who are reimbursed on a per diem basis.

Agencies may use an electronic travel reimbursement system, such as the Travel & Expense Management System (TEMS), as long as it provides information equivalent to that provided on a travel expense voucher.

[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. This form is available online at: http://www.des.wa.gov/SiteCollectionDocuments/PrintingMail/Printing/Docs_A21.dot.

[Copy Center Request Form \(A24\)](#) - A form used by agencies to order, encumber, liquidate, and authorize payment for copy services from the Department of Enterprise Services. This form is available online at: http://www.des.wa.gov/SiteCollectionDocuments/PrintingMail/Printing/Docs_A24.dot.



85.32.30.b

Purchasing documents used internally by agencies having local purchasing authorities are to meet the criteria of the forms noted above. There is no standard internal purchase request form; however, agencies are encouraged to develop and utilize an internal request form to enhance internal control over requisitions. Refer to [Chapter 20](#) of this manual for internal control procedures.

85.32.40 Payment processing

June 1, 2014

85.32.40.a

The following information, at a minimum, is to be indicated either on the disbursement documentation or in an automated system for compliance with federal regulatory agencies and internal control policies:

- Payee name and address in compliance with U. S. postal regulations,
- Unified Business Identifier (or other vendor approved identifier), as applicable,
- Taxpayer ID Number (TIN) as per IRS publication 1220 and IRS Bulletin 1990-31, as applicable,
- Voucher number,
- Appropriate account code distribution,
- Date the goods were received or the services were provided,
- Signature of receiver or contract manager approval,
- Receipt date of invoice,
- Invoice number, if available,
- Total amount of invoice,
- Invoice date,
- Discount or other terms, and
- Date of payment.

Privacy Notice: Safeguarding and disposition of personal information collected for payment processing must be consistent with Executive Order 00-03, April 25, 2000; [OCIO Policy 141](#); and [RCW 42.56.210](#).

85.32.40.b

Agencies are to establish procedures which verify the mathematical accuracy of all documents and ensure that charges are properly recorded to the appropriate accounts.

85.32.40.c

Disbursement documents should be reviewed for the following, as applicable:

- Written approval by the agency head or authorized designee authorizing payment appears on the disbursement document.
- The payment is being processed to the correct vendor.



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- Quantities indicated on the invoice agree with those documented as received on the receiving report.
- Unit prices on the invoice agree with those indicated on the disbursement document.
- Contractor rates agree with the contract document.
- Extensions and footings are correct.
- Correct account code distributions are indicated.
- Interest for late payment, upon billing, is properly documented and computed.

85.32.40.d

Disbursement documents approved for payment are to be arranged in a batch for warrant and warrant register processing within the following constraints:

- The documents are to be assigned sequential voucher numbers.
- A batch header, document transmittal, or equivalent which includes the total amount of the payments should be prepared and approved.

85.32.40.e

Encumbered balances associated with any expenditures are to be appropriately liquidated. Refer to [Subsection 85.42.20.b](#) for an illustrative entry.

85.32.40.f

Balances in GL Code 6505 "Accrued Expenditures/Expenses" associated with any cash expenditure disbursements are to be appropriately reversed.

85.32.40.g

The number of payments to a vendor is to be kept to a minimum by processing the maximum number of invoices with a single payment.

85.32.40.h

Agencies can use [petty cash imprest accounts](#) where effective in complying with prompt payment requirements and efficiency of operation can be demonstrated. Refer to [Subsection 85.50.50](#) for petty cash policies and procedures.

85.32.50 Timing of payment

June 7, 2012

85.32.50.a

Agencies are to establish procedures to ensure timely, accurate, and cost effective payment of obligations to vendors. An agency's payments will be considered timely when its records show that the agency pays



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95 percent or more of its obligations to vendors by the due date defined below. Agencies are to maximize effective cash management by paying as close to the due date as workable. Special attention is to be given to the following:

- **Due Dates** - Vendor payments are to be made by the due date. Due dates for payments are established by the terms of the purchase document, invoice, or contract between the agency and vendors. If the purchase document or contract is silent concerning terms or there is no written authorizing document, the terms are net 30 days. The 30 days, or other terms, begin upon receipt of the goods or services or a properly completed invoice, **whichever is later**.

As prescribed in [RCW 39.76](#), agencies are required to pay interest at the rate of one percent per month on past due amounts when invoiced and there are no other exceptions. Due dates are 3 postponed in the case of disputes. Refer to **disputes** below.

- **Discounts** - Discounts offered by vendors are considered in evaluating competitive bids; failure to earn such discounts through prompt payment increases the effective price to the state. Agencies are to pay all obligations in time to take advantage of the maximum discounts offered by vendors.
- **Partial Payments** - When agencies accept partial delivery of goods or services without reservation, prompt payment is to be made for the goods or services received upon receipt from the vendor of a properly completed invoice or in accordance with purchase document or contract terms covering the partial delivery.
- **Disputes** - Prompt and proper notification to a vendor of receipt of unsatisfactory goods or services or an incorrect invoice defers the due date. The due date is recalculated from the date the problem is resolved. Proper authorization is required when material changes are made.

85.32.50.b

Maintenance Services Contracts - Pursuant to [RCW 43.88.160\(5\)](#), under certain conditions, payments for equipment maintenance services may be made up to twelve months in advance, except that institutions of higher education as defined in [RCW 28B.10.016](#) may make payments in advance for equipment maintenance services up to sixty months in advance.

85.32.50.c

Postage, Books, and Periodicals - Pursuant to [RCW 42.24.035](#), agencies may make payment for the costs of postage, books and periodicals in a manner consistent with normal business practices, but in the case of subscriptions, for periods not in excess of three years.

85.32.50.d

Washington State Department of Transportation *Good to Go* toll accounts - Agencies may pre-load their *Good to Go* toll accounts; however, agencies should not exceed one month's estimated usage on the account.



85.32.60 Rapid invoice processing

June 1, 2002

The use of Rapid Invoice Processing (RIP) is encouraged to reduce the costs of processing payments for small and/or routine transactions. With RIP:

- Confirmation of the receipt of goods and services is kept at a decentralized location instead of being forwarded to the payment office to be filed with the payment documents.
- Requests for payments are processed centrally and scheduled for payment.
- The risks associated with using RIP are mitigated through compensating controls, such as providing the decentralized location the opportunity to intervene in the payment process prior to the scheduled payment date.

The level/type of payments subject to RIP procedures is to be established carefully at the agency level to ensure that a more positive system of control, such as centralized matching of signed receiving reports with requests for payment, exists to cover large and/or non-routine transactions.

Advance written authorization is to be obtained from the Office of Financial Management for the use of RIP. Requests for authorization should identify the level and type of payments proposed for RIP procedures and the processes that will be used to mitigate the risks of using RIP.

85.32.70 Purchase card

Jan. 1, 2013

State law, [RCW 39.26.090](#) and [28B.10.029](#), authorizes agencies to use credit cards and similar devices to make purchases under specific terms and conditions. Refer to [Chapter 40](#) and DES statewide credit card policy.

85.32.80 Waste recycling procedures

Jan. 1, 2012

Agencies are to record receipts and disbursements resulting from agency operated waste reduction and recycling programs not operated through the Department of Enterprise Services (refer to [RCW 70.95c.110](#)), as follows:

85.32.80.a

Revenues derived through an agency operated recycling program are to be deposited into the account that supports the recycling effort as either a miscellaneous revenue or a recovery of expenditures to the extent of expenditures for the program.



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85.32.80.b

When the revenues exceed the expenditures identified with the recycling program, they are to be allocated on a proportional basis to the accounts that originally purchased the recycled materials.