Chapter 1 - Introduction

1.10 About the Manual

1.10.10	Policies in this manual are minimum standards	May 1, 1999
1.10.20	Authority for these policies	May 1, 1999
1.10.30	Applicability	Jan. 1, 2009
1.10.40	How do I request a waiver to a policy?	July 1, 2005
1.10.50	How do I request OFM approval for an alternative policy or procedure?	June 1, 2002
1.10.60	How to contact us	June 1, 2002

1.20 How to Use This Manual

1.20.10	How the manual is organized	Jan. 1, 2015
1.20.20	How the manual is numbered	May 1, 1999
1.20.30	Page layout	May 1, 1999
1.20.40	Other tools within the manual	May 1, 1999

This page intentionally left blank.

1.10
About the Manual

1.10.10 Policies in this manual are minimum standards

May 1, 1999

The purpose of this manual is: 1) to provide control and accountability over financial and administrative affairs of Washington State Government, and 2) to assist agencies in gathering and maintaining information needed for the preparation of financial statements.

The policies and procedures in this manual are the minimum requirements that state agencies must meet. An agency may adopt additional policies and procedures in greater detail, or use additional or alternative supporting documentation, as long as the agency meets the required minimum standards.

1.10.20 Authority for these policies

May 1, 1999

The Office of Financial Management is required by the Budget and Accounting Act (RCW 43.88.160) to establish a Generally Accepted Accounting Principles (GAAP)-based accounting system and procedures, as necessary, to provide for accountability of the state's assets and compliance to its laws and regulations.

1.10.30 Applicability

January 1, 2009

All agencies of the state of Washington must comply with this manual, unless otherwise exempted by statute. RCW 43.88.020 defines the term “Agency” to mean and include “every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided.”

These policies shall comply with federal requirements. However, if any part of these policies are in conflict with federal requirements, that part of the policy will be inoperative to the extent of such conflict with respect to the agencies directly affected, until such time the policies are updated.

Agencies may request a waiver from complying with specific requirements of this manual. For information on how to request a waiver, refer to Subsection 1.10.40.

1.10.40 How do I request a waiver to a policy?

July 1, 2005

Pursuant to RCW 43.88.160(1), agencies may submit a written request for a waiver from complying with specific requirements of a policy. The request must be approved in writing by the Office of Financial Management before the waiver takes effect. Waivers automatically expire at the end of the fiscal biennium for which they were granted and are to be reapproved in writing to remain in force for the ensuing biennium. A copy of the waiver granted is provided to the appropriate legislative fiscal committees.

It is recommended that agencies discuss any policy waiver requests in advance with their assigned agency accounting consultant.

Please submit written request to:

Office of Financial Management
Statewide Accounting
P.O. Box 43113
Olympia, WA 98504-3113

1.10.50 How do I request OFM approval for an alternative policy or procedure?

June 1, 2002

Some policies allow an agency, with approval by the Office of Financial Management, to adopt an alternative policy or procedure. This process is a one time approval process, as opposed to the biennial policy waiver procedure.

It is recommended that agencies discuss any alternative policy or procedure requests in advance with their assigned agency accounting consultant.

Please submit written request to:

Office of Financial Management
Statewide Accounting
P.O. Box 43113
Olympia, WA 98504-3113

1.10.60 How to contact us

June 1, 2002

Please contact us if you have questions about the policy manual.

You can email us at: ofm.accounting@ofm.wa.gov

Or call: (360) 725-0198

Or write:

Office of Financial Management
Statewide Accounting
P.O. Box 43113
Olympia, WA 98504-3113

1.20
How to Use This Manual

1.20.10 How the manual is organized

January 1, 2015

The first half of this manual focuses on **administrative topics**. Users with a hard copy of the manual will find these chapters in Volume I.

1 - Introduction
5 - Data and Systems Access
10 - Travel
12 - Transportation
20 - Internal Control & Auditing
25 - Payroll
30 - Capital Assets
35 - Inventories
40 - E-Commerce
45 - Purchase Cards
50 - Federal Compliance
55 - Audit Tracking
60 - Moving Expenses
65 - Financial Services Agreements
70 - Other Administrative Regulations

The second half of the manual focuses on **accounting topics.** Users with a hard copy of the manual will find these chapters in Volume II.

75 - Uniform Chart of Accounts
80 - Accounting Policies
85 - Accounting Procedures
90 - State Reporting
95 - Federal Assistance Reporting

1.20.20 How the manual is numbered

May 1, 1999

The manual has three layers of organization:

- Chapters - The major subjects of the manual
- Sections - Define the major topics within a subject
- Subsections - The actual policies

The policies in this manual are numbered using a three part code which reflects these levels.

30.10.40

The first number is the Chapter number.

The second number is the Section number.

The third number is the Subsection number.

1.20.30 Page layout

May 1, 1999

References the first subsection number on each page

Chapter number and title

Subsection number

Subsection Title

The effective date of this policy subsection

Page number within the chapter

1.10.40 1
Introduction

1.10.40 How do I request a waiver to a policy?
May 1, 1999

Agencies may request a waiver from complying with specific requirements of this manual. The request is to be in writing and be approved in writing by OFM before the waiver takes effect. Waivers automatically expire at the end of the fiscal biennium for which they were granted and are to be reapproved in writing to remain in force.

Please submit written request to:

Office of Financial Management
Accounting Division
P.O. Box 43123
Olympia, WA 98504-3123

State Administrative & Accounting Manual Issued by: Office of Financial Management
2

1.20.40 Other tools within the manual

May 1, 1999

Subject Index – The on-line version of the manual provides direct links from the index to the referenced subsection. A complete index has been provided in the front of each volume of the hard-copy manual.

Forms Index – An index of all the forms found in the manual. A complete forms index has been provided in each volume of the hard-copy manual.

Glossary – The on-line version of the manual provides direct links from referenced words in the policies to the glossary. A complete glossary has been provided in each volume of the hard-copy manual.

Chapter 5 - Data and Systems Access

5.10 About Data and Systems Access Policies

5.10.10	Purpose of these policies	Sept. 5, 2014
5.10.15	Authority for these policies	July 1, 2012
5.10.20	Related policies	July 1, 2012
5.10.25	Who must comply with these policies	July 1, 2012
5.10.30	Statewide systems, applications, and data covered under this policy	Sept. 5, 2014
5.10.35	Controls over systems, applications, and data covered under this policy	Sept. 5, 2014
5.10.40	Specific requirements	Sept. 5, 2014

This page intentionally left blank.

5.10 About Data and Systems Access Policies

5.10.10 Purpose of these policies

September 5, 2014

The purpose of these policies is to define the conditions under which access to specific statewide systems, applications, and data will be granted.

5.10.15 Authority for these policies

July 1, 2012

RCW 43.88.160 (4) requires the Office of Financial Management (OFM) to develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls.

The Public Records Act 42.56 RCW prohibits disclosure of certain personal and other information.

5.10.20 Related policies

July 1, 2012

The Office of Chief Information Officer (OCIO) Policy No. 141, *Securing Information Technology Assets*, sets requirements for maintaining system and network security, data integrity and confidentiality.

5.10.25 Who must comply with these policies?

July 1, 2012

All executive, legislative, or judicial branch agencies connecting to statewide systems must comply with the policies in this chapter.

5.10.30 Statewide systems, applications, and data covered under this policy

September 5, 2014

This policy covers access to certain statewide systems, applications, and data that the Department of Enterprise Services (DES) manages and maintains on behalf of OFM to carry out OFM's responsibilities described in the section "Authority for this policy." Systems, applications, and data covered include:

- IRS Form 1099-MISC Reporting System
- Enterprise Reporting Standard Reports (ER)
- Enterprise Reporting Web Intelligence (Webi)

5.10.35 Controls over systems, applications, and data covered under this policy

September 5, 2014

Agencies should have internal controls over granting and revoking access to systems, applications, and data that:

- Limit access to employees to only that necessary to perform the assigned duties.
- Consider how access will affect agency internal controls and apply compensating controls where necessary. Refer to Chapter 20.
- Ensure proper employee training under OCIO policies.
- Employ a systematic employee exit process that revokes access within a reasonably short amount of time after the employee's access is no longer required. This may happen when job duties change or when an employee leaves the agency.
- Allow for periodic review of all employees' statewide access.

5.10.40 Specific requirements

September 5, 2014

5.10.40.a IRS form 1099-MISC Reporting System

Agencies accessing the 1099 download maintained by the Department of Enterprise Services (DES) are required to comply with Subsection 50.10.65.

5.10.40.b **Enterprise Reporting Standard Reports (ER) and Web Intelligence (Webi)**

Agencies accessing the Enterprise Reporting Standard Reports (ER) or Web Intelligence (Webi) maintained by DES must establish an effective system for management and control of sensitive information as appropriate. In addition, access to vendor payment related data belonging to other agencies is restricted to employees who need the data to perform their assigned duties, and before access is granted:

1. An employee must sign a Non-Disclosure Agreement (NDA) that includes the following statements:

    - I will not access or use vendor payment information for any commercial or personal use or gain, but only to the extent necessary and for the purpose of performing my assigned duties as an employee.

    - I will not directly or indirectly disclose, divulge, transfer (such as but not limited to, email, portable media, File Transfer Protocol (FTP), file location services), release, communicate, sell, or otherwise make known to unauthorized persons or any third party outside the scope of my position any vendor payment information during duty hours as well as non-duty hours or when not in use unless authorized by my supervisor, agency policy or applicable state law.

    - I will not duplicate or reproduce vendor payment information except for the purpose of performing my duties as an employee.

    - I will protect vendor payment information from unauthorized physical and electronic access in a manner which prevents unauthorized persons from retrieving the information by means of computer, remote terminal or other means.

    - I will dispose of vendor payment information, in electronic or paper form, in an appropriate manner.

    - I agree to abide by all federal and state laws, regulations, and policies regarding the safeguarding and disclosure of the information.

2. Agencies may use an alternate in-house NDA form provided written approval from OFM is obtained.

3. The agency security administrator must certify that that the employee has signed the non-disclosure agreement and needs access to other agency vendor payment related data to perform the employee's assigned job duties. In certain cases, OFM must approve the request before access can be granted.

To get access to Enterprise Reporting vendor payment related data for other agencies, follow the instructions and fill out the forms at: http://www.ofm.wa.gov/resources/dataaccess.asp.

If an agency detects a breach in security related to vendor payment related data, the agency is responsible to follow the steps for breach as described in RCW 42.56.590 and notify the Consolidated Technology Services (CTS) Chief Information Security Officer, CTS Security Operations Center and the Washington State Patrol Computer Crimes unit. Additionally, the agency is to notify DES within one business day of discovering the breach and take corrective action as soon as practicable to eliminate the cause of the breach. DES may request a full review of the agency's data security controls.

Chapter 10 - Travel

10.10 Travel Management Requirements and Restrictions

10.10.05	Who must comply with these policies?	June 7, 2012
10.10.10	Agency responsibilities	Oct. 9, 2015
10.10.15	Responsibilities of travelers	Oct. 9, 2015
10.10.20	These criteria must be used for selecting and approving travel	Oct. 1, 2005
10.10.25	Implement alternatives to travel	Jan. 1, 2004
10.10.30	Considerations for placing an employee in travel status	May 1, 1999
10.10.35	Ensure the health and safety of travelers	Jan. 1, 2015
10.10.40	Comply with the Americans with Disabilities Act	July 1, 2000
10.10.45	Use of the State Charge Card system, when required, to purchase travel	Jan. 1, 2015
10.10.50	Prior authorization for travel may be required	July 1, 2011
10.10.55	Scheduling meetings, conferences, conventions and training sessions	July 1, 2011

10.20 Travel Reimbursement Principles

10.20.10	What types of travel costs are eligible for reimbursement?	Jan. 1, 2015
10.20.20	What types of travel costs cannot be reimbursed?	Oct. 9, 2015
10.20.30	Reimbursement for meals and lodging shall not exceed the maximum allowable per diem rate	July 1, 2000
10.20.40	How travel for the convenience of the traveler affects reimbursement	May 1, 1999
10.20.50	Leave of absence during travel	Oct. 1, 2002
10.20.60	Agencies need to develop policies for non-state reimbursement of state travel	Oct. 1, 2001

10.30 Lodging

10.30.10	What is the basis for reimbursing lodging costs?	Oct. 1, 2016
10.30.20	Exceptions to the maximum allowable lodging rates	Oct. 1, 2016
10.30.25	Lodging for state employee meetings, conferences, conventions and training sessions	July 1, 2000
10.30.30	What types of lodging costs are reimbursable?	Oct. 1, 2016
10.30.40	Certain lodging costs cannot be reimbursed	July 1, 2000
10.30.50	Lodging expenses for the normal return night may be reimbursed in certain situations	May 1, 1999
10.30.60	How to purchase lodging accommodations	Jan. 1, 2015
10.30.70	Using a travel trailer, camper, or vessel	Oct. 1, 2015

10.40 Meals

10.40.10	What is the basis for reimbursing meal costs?	Oct. 1, 2002
10.40.20	Exceptions to the meal allowances	July 1, 2014
10.40.30	What types of costs are included in meal allowances?	Oct. 1, 2002
10.40.40	Certain meal costs cannot be reimbursed	July 1, 2000
10.40.50	When may a traveler be reimbursed for meal costs?	July 1, 2014
10.40.55	Meal reimbursement rate	Oct. 1, 2005
10.40.60	Taxation of meal payments	Oct. 1, 2004

10.50 Travel Arrangements and Reimbursements

10.50.10	What types of transportation costs are reimbursable?	May 1, 1999
10.50.20	Reimbursement for privately-owned motor vehicle use	Oct. 9, 2015
10.50.23	Reimbursement for privately-owned aircraft use	Jan. 1, 2015
10.50.25	Restrictions on reimbursement for privately-owned motor vehicle use	Oct. 1, 2016
10.50.35	Restrictions and requirements on rental motor vehicle use	Oct. 9, 2015
10.50.40	Agencies may purchase airline and other common carrier tickets in advance under certain conditions	Jan. 1, 2012

10.50.45	How to make air travel arrangements	Jan. 1, 2012
10.50.50	Airline contracts and limitations on reimbursement	Oct. 1, 2013
10.50.55	Criteria and limitations for airport selection	May 1, 1999
10.50.65	Limitations on reimbursement for non-air common carrier costs	Oct. 1, 2015
10.50.70	How changes in itinerary affect reimbursement	Jan. 1, 2015
10.50.75	May the traveler purchase airfare from personal financial resources?	Jan. 1, 2004
10.50.80	Refunds for unused transportation services	Jan.1, 2004

10.60 Miscellaneous Travel Expenses

10.60.10	What types of miscellaneous travel costs are reimbursable?	Oct. 1, 2016
10.60.20	Bill expenses greater than $50 to the agency whenever possible	May 1, 1999
10.60.30	Costs for personal care attendant services may be reimbursed	May 1, 1999
10.60.40	Charges by airlines on international flights	July 1, 2011
10.60.50	State vehicle use of *Good To Go!* passes	Oct. 1, 2016

10.70 Boards, Commissions, or Committees

10.70.00	Travel restricted	July 1, 2011
10.70.10	Types of boards, commissions, or committees	Jan. 1, 2000
10.70.20	Meal and lodging reimbursement for members serving in an advisory, coordinating, or planning capacity	July 1, 2011
10.70.30	Meal and lodging reimbursement for members serving in a rule-making capacity	July 1, 2011
10.70.40	May lodging taxes be reimbursed?	July 1, 2011
10.70.50	Exceptions to the meal reimbursement rates	July 1, 2011
10.70.55	Who is authorized to be reimbursed for travel expenses?	July 1, 2011
10.70.60	How should travel expenses other than meals and lodging be reimbursed?	July 1, 2011
10.70.70	Coffee and light refreshments may be served at board, commission, or committee meetings	July 1, 2011

10.80 Travel Expense Claims, Payments, Reimbursements and Advances

10.80.10	What is the purpose of the Travel Expense Voucher?	Jan. 1, 2000
10.80.20	What are the traveler's responsibilities in completing the Travel Expense Voucher?	July 1, 2014
10.80.30	What are the agency responsibilities in reviewing and paying the Travel Expense Voucher costs?	Oct. 1, 2001
10.80.40	Receipts and documentation required in support of Travel Expense Vouchers	Jan. 1, 2015
10.80.50	Miscellaneous supplies exceeding $50 should not be included on the Travel Expense Voucher	Jan. 1, 2000
10.80.55	Paying vendors directly for travel costs	July 1, 2000
10.80.60	Travel expense advances	Oct. 1, 2005
10.80.70	Internal Revenue Service regulations affecting travel expenses and travel advances	Jan. 1, 2000

10.90 Travel Rates

10.90.10	Reimbursement rates	Jan. 1, 2015
10.90.20	Reimbursement rates for lodging, meals, and privately owned vehicle mileage	Jan. 1, 2017

10.10
Travel Management Requirements and Restrictions

10.10.05 Who must comply with these policies?

June 7, 2012

The following persons in the executive, legislative, or judicial branches of government must comply with the policies in this chapter:

1. All state officers, employees, and volunteers that agencies have legal authority to utilize, unless otherwise provided by law.

   As provided in RCW 28B.10.029, institutions of higher education may use all appropriate means for making and paying for travel arrangements to support student, faculty, staff and other participants travel in the most cost effective and efficient manner possible. Methods used must be based on standard industry practices and be compliant with federal accountable plan requirements. Accordingly, they are exempt from Subsections 10.10.45, 10.30.60, 10.50.35, 10.50.40, 10.50.45, 10.50.50, 10.50.75, and 10.80.55.

2. Persons other than state officers and employees, where travel expenses are authorized by statute but the statute is silent as to amount.

3. Members of the Senate or House of Representatives. When on official legislative business, these members are entitled to receive allowances as provided in RCW 44.04.120 in lieu of per diem or travel expenses as stipulated in this chapter.

4. Contractors, unless there are specific contractual arrangements modifying travel reimbursement.

These rules may be used as a guideline for the payment of legally authorized travel expenses for students and other clients of the agency.

10.10.10 Agency responsibilities

October 9, 2015

10.10.10.a Agency heads, and their designees for directing travel and approving reimbursement, are to:

1. Ensure that any travel costs incurred are:
   - Directly work related,
   - Obtained at the most economical price, and
   - Both critical and necessary for state business.

2. Exercise prudent judgment in approving travel-related costs.

3. Establish an effective system for management and control over travel-related costs. This system should include:

   - Written internal policies and procedures which cover the items required in this chapter.

   - Authorization or approval of travel costs by the agency head or authorized designees.

   - Clearly defined roles and responsibilities to include the level(s) to which agency head responsibility has been delegated.

   - Periodic review of airline ticket purchases to ensure compliance with Subsections 10.50.40 and 10.50.45.

   - The amount of time the agency requires for advance approval of meal costs at meetings, conferences, conventions, and training sessions.

   - A prohibition to pay parking tickets, citations, or infractions received by drivers authorized to operate vehicles on state business. Payment of fines or citations is solely the personal obligation and responsibility of the driver and NOT a qualified reimbursable obligation of the employing agency. Refer to Subsections 10.10.15 and 10.20.20.

4. Ensure travelers are not treated differently under like travel circumstances.

5. Ensure the agency uses the procurement methods required in this chapter and maintain an accountability record for all state travel charge card systems it or its travelers are issued.

6. The agency head or designee must authorize student drivers or volunteer drivers to use vehicles while on official state business. Agencies should consult with the Department of Labor and Industries for information about personal injury insurance coverage for students and volunteers operating vehicles on official state business, and age restrictions for operating vehicles for business purposes. Refer to http://www.lni.wa.gov/WorkplaceRights/Teen Workers/.

10.10.10.b Agencies may adopt internal travel policies and reimbursement allowances that are more restrictive than those contained in this chapter.

10.10.15 Responsibilities of travelers

October 9, 2015

A traveler on official state business is responsible for:

1. Being familiar with state and agency travel and transportation regulations before embarking on travel.

2. Exercising the same care in incurring expenses and accomplishing the purposes of the travel that a prudent person would exercise if traveling on personal business. Excess costs, circuitous routes, delays, or luxury accommodations unnecessary or unjustified in the performance of official state business travel are not acceptable.

3. Paying any excess costs and any additional expenses incurred for personal preference or convenience.

4. Returning as promptly as possible to either the official station or official residence when the state business is completed.

5. Securing prior authorization for travel when required. (Subsection 10.10.50)

6. Preparing the Travel Expense Voucher and providing appropriate receipts and documentation as required in Section 10.80 and other sections of this chapter.

7. Promptly pay fines to the appropriate jurisdiction for all parking tickets, citations or infractions received while operating a vehicle on state business. Payment of fines and citations under these circumstances is the **sole obligation and responsibility of the traveler** and is NOT to be reimbursed or paid by the state. Refer to Subsection 10.20.20.

10.10.20 These criteria must be used for selecting and approving travel

October 1, 2005

In addition to complying with state travel policies and procedures, an agency head or authorized designee must use the following criteria to determine whether to authorize a person to travel on official state business, and to determine what travel alternatives to authorize.

1. **Select the travel alternative that is most <u>economical</u> to the state.**

   Agencies **must use this criteria** except in the situations noted in Subsection 10.10.20, #2.

   All costs should be considered--travel, labor, etc.--in making the determination. For example: Is it less expensive to drive than fly out of Sea-Tac Airport? Is it cheaper to fly out of Sea-Tac than out of Port Angeles?

2. **Select the travel alternative that is most <u>advantageous</u> to the state.**

   An agency may use this advantageous criterion only in the following situations:

   - To ensure the health and safety of agency travelers (10.10.35)
   - To comply with the Americans with Disabilities Act (10.10.40)
   - Process and travel situations for meals with meetings (10.40.60)
   - Use of privately owned motor vehicles (12.30.30)

The personal travel plans of the traveler shall not influence this criterion.

10.10.25 Implement alternatives to travel

January 1, 2004

Agencies are to develop and implement alternatives to travel, as well as less expensive means of travel. These methods should include, but are not limited to:

- Teleconferencing and video conferencing;
- Video recordings and published reports;
- Car-pooling and greater use of public transportation;

- Reduced frequency of regularly scheduled out-of-town meetings;
- Restrictions on the number of staff traveling to the same destination; and
- Coordinating between agencies for joint travel arrangements when more than one agency is involved.

10.10.30 Considerations when placing an employee in travel status

May 1, 1999

10.10.30.a Plan the itinerary of the traveler to eliminate unnecessary travel in the performance of work assignments. Whenever it is feasible for two or more persons to travel on official state business in one vehicle, they are to do so.

10.10.30.b Before placing a traveler in travel status, the agency is to determine for each occurrence whether it is more economical or advantageous (Subsection 10.10.20) to reimburse the traveler for meals and/or lodging, or to require the traveler to return to the official station or official residence daily or on weekends.

10.10.30.c After 90 days, agencies should review assignments placing travelers in travel status at a temporary duty station to determine if the traveler's permanent official duty station should be changed. The agency should inform the traveler of the possible federal tax implications of official station assignments for an indefinite period of time or for longer than one year. Refer to Internal Revenue Service regulations contained in Publication 463 for further information.

10.10.35 Ensure the health and safety of travelers

January 1, 2015

10.10.35.a The health and safety of travelers is a top priority in the conduct of travel related activities. It is advantageous to the state for agencies to establish and alter travel plans and itineraries with consideration of hazardous inclement weather and other situations that could threaten the health and safety of state personnel.

When establishing travel plans and itineraries, if additional expense is involved to address hazardous weather or other local conditions that could threaten the health and safety of the traveler, the reason for authorizing the additional expense should be included on or attached to the travel authorization form.

When travel itineraries are altered after travel begins to address health and safety issues , travelers should:

- Promptly notify the traveler's supervisor of the change in travel plans.
- Note the reason for any additional expense on the traveler's travel expense voucher.

10.10.35.b Recognizing that the safety of passengers and flight crews is of paramount importance to the state, agencies are authorized to obtain commercial lodging for flight crews during standby periods in locations away from their official duty station. Agencies are to develop internal policies and procedures consistent with this regulation.

10.10.40 Comply with the Americans with Disabilities Act

July 1, 2000

10.10.40.a Compliance with the Americans with Disabilities Act (ADA) is considered to be advantageous. All state personnel are to be afforded equal opportunity to perform travel for official state business even if the travel costs for disabled travelers will exceed what would normally be most economical to the state. For example:

- When a traveler uses a wheelchair and it is necessary to pay more for an airline ticket so the traveler can fly on a larger airplane that can accommodate the wheelchair.
- When a traveler flies out of Sea-Tac because the traveler's disabilities cannot be accommodated at the local airport.
- When a traveler has hearing or vision impairments and there is a cost of providing auxiliary aids and services to enable the traveler to successfully accomplish the purpose of the travel.

10.10.40.b Travel authorizations and travel claims should be annotated that the extra costs were required to comply with the ADA. ADA supporting documentation should remain confidential and a statement added to the travel voucher indicating the agency file location.

10.10.45 Use of the State Charge Card System, when required, to purchase travel

January 1, 2015

10.10.45.a The term "State Charge Card System" comprises the authorized state consolidated charge card program or other agency charge card program authorized by statute, which includes purchasing cards for non-travel expenses plus the following three components that can be used for travel purchases:

- **Corporate Travel Card.** Each agency head or authorized designee may authorize the use of or approve the issuance of the corporate travel card to those travelers whose work requires them to travel on official state business. When a state employee uses the corporate travel card they are billed directly, are responsible to pay all charges, and must apply for travel reimbursement through their agency.

- **Central Travel Account (CTA).** The CTA is a ghost account. No actual card is issued. The agency is responsible for charges against the CTA.

- **One Card (Combination Purchase & Travel).** The one card can be used for travel related expenses. Because the one card is not assigned to a particular individual, it is generally not used by travelers. The agency is responsible for charges against the one card.

Some of the general guidelines and requirements related to the use of the charge card program are presented here, in section 85.36.20, and in Chapter 45. However, to obtain specific information about the state charge card program and to view specific contract requirements, contact the Department of Enterprise Services at (360) 902-7400.

The **use of the State Charge Card System is required** for the purchase of air travel arrangements. (For emergency situations, refer to Subsection 10.50.75.)

The **use of the State Charge Card System is optional** for the purchase of other common carrier travel.

10.10.45.b Each agency is to maintain an accountability record for all State Charge Card Systems it or its travelers are issued.

In cases where a State Charge Card System receipt is issued, the traveler is to attach the original receipts or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments to the Travel Expense Voucher (form A20-A or A20-2-A) or reference its file location.

10.10.50 Prior authorization for travel may be required

July 1, 2011

10.10.50.a Travelers must receive prior authorization for travel from the agency head or authorized designee:

- Whenever a travel advance is required by a traveler.
- For all out-of-state travel.

Use the Travel Authorization (form A40-A), or other equally effective written means for requesting and documenting prior authorization for travel.

10.10.50.b Travel **to Hawaii and foreign countries except British Columbia, Canada** requires additional approval as follows:

- **Agencies reporting to the Governor** must have prior written approval of the Office of the Governor.
- **Agencies not reporting to the Governor** must have prior written approval of the agency's governing body or its managerial designees.

10.10.55 Scheduling meetings, conferences, conventions, and training sessions

July 1, 2011

10.10.55.a When meetings or conferences are necessary, agencies should consider cost to the state, accessibility to attendees, and other relevant factors in their selection. First priority is to be given to using state-owned or other public owned facilities in lieu of renting or leasing private facilities.

The location and facilities for **all** conferences, conventions, training sessions, or meetings held or sponsored by the state are to be barrier-free in accordance with Section 50.50.

When a conference, convention, training session, or meeting held or sponsored by the state is conducted at a rented/leased non-state facility, the person responsible for the choice of location and facilities is to submit justification in advance in writing to the agency head or authorized designee for approval.

The justification is to include:

- The purpose and objective of the meeting;
- The name of the organizations or persons expected to attend and an estimate of the attendance;
- An estimate of the anticipated cost to the state to include travel costs of travelers; and
- An explanation why state-owned or other public owned barrier-free facilities cannot be used.

10.10.55.b Limit the number of persons from an agency attending a particular conference, convention, meeting, or training session to the minimum necessary to benefit from the event.

10.20
Travel Reimbursement Principles

10.20.10 What types of travel costs are eligible for reimbursement?

January 1, 2015

Travelers may be reimbursed for the following types of expenses incurred on official state business subject to the requirements and restrictions of this chapter.

Lodging - The actual cost of lodging up to a specified maximum. Original receipts are required or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments. Refer to Section 10.30 for a full discussion.

Meals - Allowable rate for meal reimbursement. Refer to Subsection 10.40.30.

Lodging and meal rates comprise the two components of the maximum allowable per diem rate for the Continental United States (CONUS). The meals and incidental rate for travel outside CONUS includes an allowance for laundry, dry cleaning, and pressing of clothes expense.

Transportation - Costs of necessary official state business travel on railroads, airlines, ships, buses, private motor vehicles, and other means of conveyance. Refer to Section 10.50 for a full discussion.

Miscellaneous travel expenses - Other expenses essential to the transaction of official state business are reimbursable to the traveler. Refer to Section 10.60 for a full discussion.

10.20.20 What types of travel costs cannot be reimbursed?

Oct.ober 9, 2015

The following types of travel-related costs **shall not** be reimbursed.

1. Alcoholic beverage expenses.

2. The cost of the daily commute between the traveler's official station (or telecommuting site) and official residence. For details on mileage that can be reimbursed, refer to Subsections 10.50.20 and 10.50.25.

3. Certain travel expenses are considered as personal and not essential to the transaction of official state business. Such non-reimbursable expenses include, but are not limited to:

   - Valet services, defined as the hiring of a personal attendant who takes care of the individual's clothes, or helps the individual in dressing, etc. The prohibition against valet services for general travelers is not to be considered as a prohibition against the use of a personal care attendant required by a disabled person under the provisions of Section 10.60.

   - Entertainment expenses, radio or television rental and other items of a similar nature.

   - Taxi fares, motor vehicle rental, and other transportation costs to or from places of entertainment and other non-state business locations.

   - Costs of personal trip insurance (such as personal accident insurance, personal effects insurance, and extended liability insurance), and medical and hospital services.

   - Personal telephone calls. Agencies are to define business telephone calls as part of its system for management and control over travel as required in Subsection 10.10.10.

   - Any tips or gratuities associated with personal expenses such as those listed here.

   - Out of pocket charges for vehicle service calls caused by the negligence of the traveler. Examples include service charges for the delivery of fuel, retrieval of keys from locked vehicles, jump starting vehicles when the lights have been left on, etc.

   - Tolls associated with the use of high occupancy toll (HOT) lanes.

   - Fines from appropriate jurisdictions for all parking tickets, citations or infractions received while operating a vehicle on state business (privately owned vehicle, rental vehicle or state owned vehicle). Payment of fines and citations under these circumstances is the **sole obligation and responsibility of the traveler** and is NOT to be reimbursed or paid by the state. Refer to Subsection 10.10.15.

10.20.30 Reimbursement for meals and lodging shall not exceed the maximum allowable per diem rate

July 1, 2000

Reimbursement for meals and lodging shall not exceed the maximum allowable per diem rate for that location, unless:

- An exception is specifically provided by statute, or
- Authorized by Subsection 10.30.20, Subsection 10.30.25, or Subsection 10.40.20.

The maximum allowable per diem rates for the Continental USA, Non-Continental USA, and Foreign locations can be found in Subsections 10.90.10 and 10.90.20.

10.20.40 How travel for the convenience of the traveler affects reimbursement

May 1, 1999

10.20.40.a **If the traveler elects to return to the official station or official residence after the close of a regularly scheduled working day when overnight travel would normally be required:**

Maximum reimbursement shall be the lesser of either:

- The travel expense incurred in returning to the official station or official residence, whichever is closer; or
- The amount which would have been allowable had the traveler remained at the temporary duty station.

The traveler is to return to the temporary duty station in time to observe the next day's regularly scheduled working hours.

10.20.40.b **If travel to a destination for the traveler's own convenience is in advance of the necessary time for arrival:**

No reimbursement for additional meals or lodging costs shall be paid to the traveler for extra field time incurred.

10.20.40.c **If a traveler remains at the destination following an official meeting or other work assignment for the traveler's own convenience**:

No reimbursement for additional meals or lodging costs shall be paid to the traveler for extra field time incurred.

10.20.40.d **If a traveler would like to couple a vacation or other personal use onto a legitimate business trip:**

It is allowed WHERE ALL OF THE FOLLOWING CONDITIONS EXIST:

- The primary purpose of the trip is official state business;
- The traveler uses, where necessary, his or her approved leave for the vacation or personal part of the trip; and
- The state agency does not incur any extra expenses beyond what it would normally incur had the trip occurred without any personal use coupled to the trip.

10.20.40.e **If a traveler spends extra field time at the destination:**

Agencies may authorize per diem for extra field time at the destination if it can be demonstrated that a direct savings will accrue to the state. The calculation of the direct savings is to include a comparison of the commercial transportation costs; the per diem costs; and, when applicable, the salary and fringe benefit costs of the traveler(s) for whom the extra field time is being authorized. Such comparisons are to be documented and retained with the traveler's Travel Expense Voucher.

10.20.50 Leave of absence during travel

October 1, 2002

10.20.50.a When a traveler takes leave of absence of any kind because of being incapacitated due to illness or injury that is **not due** to the traveler's own misconduct:

- The authorized reimbursement for meals and lodging may be continued during the leave period.
- Providing the traveler is able to travel, reimbursement is not to exceed in total the cost authorized for motor vehicle car mileage or common carrier in returning the traveler to the official station or official residence, whichever is closer, and then back to the assignment.

10.20.50.b When a traveler takes leave of absence of any kind as a result of illness or injury that is **due** to the traveler's own misconduct, the authorized reimbursement for meals, lodging, transportation, and all other travel expenditures may not be continued during the leave period.

10.20.50.c When leave of absence of any kind is taken while in a travel status, the exact hour of departure and return to the temporary duty station must be shown on the Travel Expense Voucher (form A20-A, or A20-2A if applicable).

10.20.60 Agencies need to develop policies for non-state reimbursement of state travel

October 1, 2001

Agencies are to develop internal policies and procedures when employee travel expenses are to be reimbursed by a person or a non-state entity. State travelers are not to be reimbursed more than the actual expenses of travel except for meals which can be reimbursed on an allowance basis as listed in Subsections 10.90.10 and 10.90.20. Ethical issues should also be considered when developing the internal policy for non-state reimbursement for travel. Further information on ethical issues may be obtained from the Executive Ethics Board.

10.30 Lodging

10.30.10 What is the basis for reimbursing lodging costs?

October 1, 2016

10.30.10.a Reimburse lodging expenses at actual costs, **as evidenced by a receipt**, up to the specific daily maximum allowable lodging rate in effect at the time of travel for the specific area or locality, unless:

- An exception is specifically provided by statute, or
- Authorized by Subsection 10.30.20.

Refer to Subsection 10.20.30 for the maximum allowable lodging rates for the continental USA (CONUS).

Travelers may be reimbursed taxes paid on lodging in addition to the Maximum Lodging Amounts contained in Subsections 10.90.10 and 10.90.20. Code the payment of taxes on lodging as lodging expense, Subobject GA or GF, as applicable. Refer to Subsection 10.90.10.d for rules on lodging taxes for the Non Continental USA and foreign locations.

10.30.10.b Travelers requesting reimbursement for staying in commercial lodging facilities must obtain receipts and either attach them to their Travel Expense Voucher or reference their file location.

If an agency allows for multiple employees to stay in one facility, the agency must have a process in place to obtain proper documentation that breaks down the cost to each employee.

If an agency determines a need for employees to stay at lodging facilities marketed and paid for through AirBnB, VRBO, or similar marketplaces, an internal travel policy is required. All costs incurred must be within the maximum lodging amount. See Subsection 10.30.30.a.

Either original receipts are required or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments.

10.30.10.c For non-mandatory attendance at seminars or professional meetings, agencies may reimburse lodging expenses at less than the rates stated in Subsections 10.90.10 and 10.90.20, provided that reimbursement at a lower rate is agreed to **in writing** by the traveler in advance of the travel.

10.30.20 Exceptions to the maximum allowable lodging rates

October 1, 2016

10.30.20.a **In the following situations,** the maximum allowable lodging amounts may not be adequate and the agency head or authorized designee may approve payment of lodging expenses not to exceed 150% of the applicable maximum per diem (lodging and meals) amounts listed in Subsections 10.90.10 and 10.90.20. The agency head or authorized designee approval must be made in advance of the travel.

1. When a traveler is assigned to accompany an elected official, a foreign dignitary, or others as authorized by law, and is required to stay in the same lodging facility.
2. When costs in the area have escalated for a brief period of time either during special events or disasters.
3. When lodging accommodations in the area of the temporary duty station are not available at or below the maximum lodging amount, and the savings achieved from occupying less expensive lodging at a more distant site are consumed by an increase in transportation and other costs.
4. The traveler attends a meeting, conference, convention, or training session where the traveler is expected to have **business interaction** with other participants in addition to scheduled events. Further, it is anticipated that maximum benefit will be achieved by authorizing the traveler to stay at the lodging facilities where the meeting, conference, convention, or training session is held.
5. To comply with provisions of the Americans with Disabilities Act (refer to Subsection 10.10.40), or when the health and safety of the traveler is at risk (refer to Subsection 10.10.35).
6. When meeting room facilities are necessary and it is more ***economical*** for the traveler to acquire special lodging accommodations such as a suite rather than to acquire a meeting room and a room for lodging.

10.30.20.b **In the following situations**, the agency head or authorized designee may approve payment of lodging expenses in excess of 150% of the applicable maximum per diem amount for the location. The agency head or authorized designee approval must be made in advance of the travel.

- The traveler is required to attend a meeting, conference, convention, or training session where the traveler is expected to have **business interaction** with other participants in addition to scheduled events; AND

- It is anticipated that maximum benefit will be achieved by authorizing the traveler to stay at the lodging facilities where the meeting, conference, convention, or training session is held; AND

- The lowest available advertised lodging rate at the lodging facility exceeds 150% of the applicable maximum per diem amount for the location. Documentation supporting the lodging rates is to be attached to the travel voucher or its file location referenced. The form of documentation is defined by each agency.

10.30.20.c When any exception to the Maximum Allowable Lodging Amount is used, the traveler is to select the most economical room available under the circumstances.

10.30.20.d Include the written approval for the exception, signed by the agency head or authorized designee, as part of the payment document. Also provide an explanation describing why an exception was necessary.

10.30.20.e Agencies may request in writing an exception to this regulation from the Director of OFM when special duties or conditions of an assignment result in unusually high expenses.

10.30.20.f When utilizing any of these conditions, agencies are not to treat any employees differently under like travel circumstances.

10.30.25 Lodging for state employee meetings, conferences, conventions, and training sessions

July 1, 2000

Maximum allowable lodging amounts may not always be sufficient for state agencies to rent properties with the facilities needed to host a meeting, conference, convention, or training session for state employees. When this occurs, agencies may increase the lodging reimbursements up to 125% of the applicable maximum allowable lodging rates contained in Subsections 10.90.10 and 10.90.20.

10.30.30 What types of lodging costs are reimbursable?

October 1, 2016

10.30.30.a The maximum reimbursable lodging rate includes, but is not limited to, the basic commercial lodging cost, resort fees, cleaning fees, and service fees. The only additional lodging expenses that are reimbursable beyond the maximum lodging rate are any applicable sales taxes and/or hotel/motel taxes on those amounts.

Lodging costs in excess of the allowance and the associated taxes on the excess will be paid by the traveler. When this occurs, taxes are to be prorated between the allowable and unallowable costs.

10.30.30.b **50-Mile Rule**

Reimbursement is allowed for lodging expenses when the temporary duty station is located more than fifty (50) miles (most direct route) of the closer of either the traveler's official residence or official station.

Under one of the following conditions, reimbursement for lodging expenses is allowed when the temporary duty station is located within fifty (50) miles (most direct route) of the closer of either the traveler's official residence or official station:

1. An overnight stay in a commercial lodging facility to avoid having a traveler drive back and forth for back-to-back late night/early morning official state business.
2. When the health and safety of travelers is of concern as provided for in Subsection 10.10.35.
3. When an agency can demonstrate that staying overnight is more economical to the state.

Agencies may request an exception to this regulation for other conditions from the Director of OFM.

Written supervisory approval for the first and third conditions and cost analysis documentation for the third condition is to be attached to the traveler's Travel Expense Voucher. Approval and documentation requirements for use of the second condition are contained in Subsection 10.10.35.

10.30.30.c Agencies when making conference registrations may when required by the lodging facility make reimbursement for up to one night lodging costs, plus applicable taxes when a travel advance is not allowable under Subsection 10.80.60. Prior authorization of the agency head of designee is required, and if conference registration is cancelled, the agency is to seek reimbursement of the costs from the lodging facility. To prevent abuse in this area agencies should strictly adhere to Section 10.10 Travel Management Requirements and Restrictions and have written internal policies and procedures for when these transactions may be allowable.

10.30.40 Certain lodging costs cannot be reimbursed

July 1, 2000

10.30.40.a Reimbursement of lodging expenses incurred at a lodging facility located at either the traveler's official station or official residence is prohibited except:

1. As an allowable moving cost as provided in Subsection 60.20.10.

2. In emergency situations when the agency head determines that employees performing critical agency functions must remain at their workstations.

3. When an employee, acting in a custodial or leadership role must, as a part of their duties, lodge with students or other clients of the agency (i.e. higher education coaches lodging with student athletes).

10.30.40.b Lodging expense incurred at a lodging facility or temporary duty location located within 50 miles of either the official residence or official station, except as provided in Subsections 10.30.30.b, 10.30.40.a, and 60.20.10.

10.30.40.c Reimbursement for lodging expenses is not to be authorized when an employee does not incur lodging expenses at a commercial lodging facility.

10.30.50 Lodging expenses for the normal return night may be reimbursed in certain situations

May 1, 1999

10.30.50.a The agency may reimburse a traveler for lodging expenses for the normal return night (as defined in the glossary) to allow the traveler to remain overnight away from the official station or official residence under one of the following three conditions:

1. When the overnight stay is more economical to the state. Complete justification should be referenced or attached to the traveler's Travel Expense Voucher.

2. The health and safety of travelers (as defined in Subsection 10.10.35) is considered advantageous to the state and can be used to justify an overnight stay. Approval and documentation requirements are contained in Subsection 10.10.35.

3. Compliance with the Americans with Disabilities Act (ADA) is considered advantageous to the state and can be used to justify an overnight stay (refer to Subsection 10.10.40). The Travel Expense Voucher should be annotated that the extra costs were incurred to comply with the ADA.

10.30.50.b When the traveler does not return to his/her official residence or official station on the normal return night, the traveler is to promptly return the next day or as soon as possible thereafter.

10.30.60 How to purchase lodging accommodations

January 1, 2015

10.30.60.a Personal financial resources may be used to purchase lodging accommodations. With proper controls in place, agencies may opt to use the state charge card system or direct billing as defined in Subsection 10.80.55. Travelers are to attach original lodging receipts or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments to the Travel Expense Voucher (form A20-A, or form A20-2A if applicable) for all lodging reimbursements or to reference the location where the receipt is filed.

10.30.60.b Agencies are encouraged to apply for all tax exemptions offered by state or local governments to governmental travelers.

For a listing of possible tax-exempt locations, refer to the U.S. General Services Administration (GSA) website at: http://www.gsa.gov/portal/content/104878.

Also, agencies are encouraged to apply for various tax rebates offered for business travel to the provinces of Canada. Rebate forms and instructions can be obtained from the Canadian Consulate General in Seattle.

10.30.70 Using a travel trailer, camper, or vessel

October 1, 2015

10.30.70.a When used for the employee's convenience, lodging reimbursement is limited to actual space rental costs (**as evidenced by a receipt**) not to exceed the daily maximum non-high cost location lodging rate displayed in Subsection 10.90.20.

The employee is not to be reimbursed for the rental or lease cost of the travel trailer, camper, or vessel.

10.30.70.b The agency head or authorized designee, with the traveler's concurrence, may authorize the use of a privately-owned travel trailer or camper when all of the following conditions exist:

- Suitable commercial lodging is not available;
- State lodging is not provided; and
- There is a benefit to the state for the traveler to remain at the temporary work station.

In this situation, the traveler is to be reimbursed at the hourly, non-high cost per diem rate displayed in Subsection 10.90.20.

10.40
Meals

10.40.10 What is the basis for reimbursing meal costs?

October 1, 2002

10.40.10.a Reimbursement for meal expenses is on an allowance basis not to exceed the amounts in effect at the time of travel, unless:

- An exception is specifically provided by statute, or
- As authorized by Subsection 10.40.20.

The meal allowances for the **Continental USA** are stated in Subsections 10.90.10 and 10.90.20 (PDF file). The meal allowances for areas outside the continental USA are stated in Subsection 10.90.20 (PDF file).

10.40.10.b When an employee elects to use a travel trailer or camper in lieu of commercial lodging, reimbursement for meals is to be at the rates stated in Subsection 10.90.20 under the heading "Non-High Cost Locations." When an employee is requested by the agency to use their travel trailer or camper in lieu of commercial lodging, meals are reimbursed as part of the hourly per diem payment. (Refer to Subsection 10.30.70.b.)

10.40.10.c When it becomes necessary to determine the amount to reimburse for individual meals (from the daily meals rate), use the following calculations rounded to the nearest dollar:

- The breakfast portion is 25% of the set daily meals entitlement.
- The lunch portion is 30% of the set daily meals entitlement.
- The dinner portion is 45% of the set daily meals entitlement.

10.40.20 Exceptions to the meal allowances

July 1, 2014

10.40.20.a Generally, travelers are to be reimbursed for meal expenses at the set per meal entitlement rates stated in Subsections 10.90.10 and 10.90.20. However, the agency head or authorized designee **may require** the agency's travelers to provide receipts for meal reimbursement. When receipts for meals are required, reimbursement will be based on an actual cost basis as evidenced by a receipt up to the applicable maximum per meal entitlement amount stated in Subsections 10.90.10 and 10.90.20.

Agencies must formally adopt written policies and procedures under the provisions of Subsection 10.10.20, if they opt to reimburse actual meal costs.

10.40.20.b Whenever an agency statute permits meals to be reimbursed at actual cost and the actual cost exceeds schedule allowances, receipts are to be attached to the Travel Expense Voucher (form A20-A) or their file location referenced.

10.40.20.c The ***agency*** head or authorized designee may approve reimbursement for the actual cost of a meal when the ***agency*** requires the employee to attend a meeting that is being held or sponsored by a **non-state** organization. The actual cost of the meal, as evidenced by a receipt, is eligible for reimbursement as long as the meal is an integral part of the meeting. (Refer to Meals With Meetings Subsection 70.15.10)

10.40.20.d Meal payments are not required to be reduced or eliminated due to meals served on airlines. Similarly, meal payments are not required to be reduced for continental breakfasts, which may be included in the lodging rate or registration fee of a meeting, conference, convention, or formal training session. Agencies should review IRS tax regulations regarding the taxation of these payments.

10.40.20.e For non-mandatory attendance at seminars or professional meetings, reimbursement for meal expenses may be at less than the rates stated in Subsections 10.90.10 and 10.90.20, provided that in all instances reimbursement at a lower rate is agreed to **in writing** by the traveler in advance of the travel.

10.40.30 What types of costs are included in meal allowances?

October 1, 2002

Meal allowances cover the following costs:

- The basic cost of a meal,
- Any incidental expenses,
- Any applicable sales tax, and
- Any customary tip or gratuity.

10.40.40 Certain meal costs cannot be reimbursed

July 1, 2000

10.40.40.a Reimbursement for meal expenses incurred at the traveler's official station or official residence is prohibited, except:

1. As provided for under the provisions of Subsection 70.15.10 and Subsection 60.20.10.
2. In emergency situations when the agency head determines that employees performing critical agency functions must remain at their workstations.
3. When an employee, acting in a custodial or leadership role, must, as part of their duties, dine with students or other clients of the agency (i.e. higher education coaches dining with student athletes).

10.40.40.b Reimbursement for meal expenses is not to be authorized when a traveler does not incur expenses for meals because they are furnished.

10.40.40.c Where identifiable costs of meals are included in the lodging rate or registration fee of a meeting, conference, convention, or formal training session, the meal costs, not to exceed the designated meal allowances found in Subsections 10.90.10 and 10.90.20, are to be deducted from the traveler's allowable travel reimbursement amount. If the included meal costs are not specifically identified, agencies are not to pay the traveler the meal allowances.

10.40.40.d Refer to Subsection 70.15.20 for situations where meals with meetings cannot be reimbursed.

10.40.50 When may a traveler be reimbursed for meal costs?

July 1, 2014

10.40.50.a For **overnight** travel assignments, the agency-determined meal periods are used to determine when a traveler is entitled to a meal.

10.40.50.b For **non-overnight** travel assignments, the following two criteria must be met to receive a meal allowance:

1. **Three Hour Rule** - A traveler may be reimbursed for meal expenses only when the traveler is in travel status for the traveler's entire regularly scheduled working hours plus an additional three hours. The three hours may consist of hours occurring before, after, or a combination of both before and after the traveler's regularly scheduled working hours for the day.

This requirement is not applicable to the reimbursement provisions of Subsection 70.15.10 (meals when not in travel status), or to the provisions of Subsection 10.70.20 (option 1) and Subsection 10.70.30.b (option 1) (travel of members of boards and commissions).

2. **In travel status during the entire meal period** - Travelers must be in travel status during the **entire** agency-determined meal period(s) in order to qualify to collect ***meal*** payments for meal(s), except as provided in Subsection 70.15.10. The traveler may not stop for a meal just to meet the three-hour rule.

10.40.55 Meal reimbursement rate

October 1, 2005

10.40.55.a For **overnight** travel assignments, IRS publication 463 requires all meals to be reimbursed at the rate in effect for the area where the traveler stops for sleep. The meal reimbursement rate for the last day of travel (return day) would continue to be the rate for the location where the traveler last stopped for sleep. Refer to Section 10.90 for meal reimbursement rates.

10.40.55.b For **non-overnight** travel assignments, agencies may adopt internal policies to determine the rate of reimbursement, not to exceed the applicable rates in Section 10.90.

10.40.60 Taxation of meal payments

October 1, 2004

For **non-overnight** travel assignments and for payments above the federal rates, agencies may wish to consult IRS publication 463 regarding the taxation of these meal payments.

10.50
Travel Arrangements and Reimbursement

10.50.10 What types of transportation costs are reimbursable?

May 1, 1999

Reimbursable transportation expenses include the costs of all necessary official state business travel on railroads, airlines, ships, buses, private motor vehicles, and other usual means of conveyance.

10.50.20 Reimbursement for privately-owned motor vehicle use

October 9, 2015

10.50.20.a The agency head, or authorized designee, may authorize the use of a privately-owned vehicle (POV) in the conduct of official state business when it is more advantageous or economical to the state that a state driver travel by a POV rather than a common carrier or a state-owned or leased motor vehicle. The state motor pool may provide cost comparison data to agencies as one guideline for assisting in making such a determination.

Agencies, as part of their required positive system of control over travel, may adopt and use other guidelines for satisfying the “more advantageous or economical” criteria contained in RCW 43.03.060. Refer to Subsection 10.10.20.

Reimbursement for the use of a privately-owned motor vehicle on official state business is to be at the private vehicle mileage reimbursement rate specified in Subsection 10.90.20 unless the agency chooses a lesser rate.

10.50.20.b Point-to-point mileage in the state is to be determined on the basis of the distances shown on the latest Department of Transportation Official State Highway Map or other standard highway mileage guide. Out-of-state mileage is to be determined on the basis of standard highway mileage guides.

"Vicinity" or local miles, as determined by odometer readings, may be shown on the Travel Expense Voucher (form A20-A or form A20-2A) as a separate figure. Agencies may elect to reimburse either in-state or out-of-state mileage, or both, on actual odometer readings. Agencies choosing to use actual odometer readings as the mileage reimbursement basis are not required to distinguish vicinity miles from point-to-point mileage.

10.50.23 Reimbursement for privately-owned aircraft use

January 1, 2015

10.50.23.a Reimbursement for the use of a privately-owned aircraft on official state business is to be at the privately-owned aircraft reimbursement rate specified in Subsection 10.90.20 unless the agency chooses a lesser rate.

10.50.23.b Determine and report air mileage using the following rules:

1. Use miles shown on FAA approved aeronautical charts or electronic flight bag. For reimbursement purposes, distance must be measured in statute miles.

2. If a detour is necessary because of adverse weather, mechanical difficulty, or other unusual conditions, the additional air mileage may be included in the mileage reported on the reimbursement voucher and, if included, it must be explained.

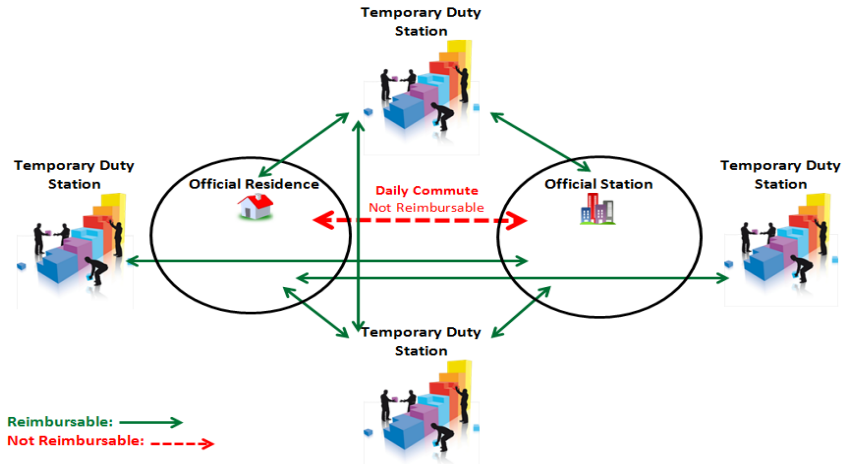
3. When an official requirement of deviation from direct route travel is such that airway mileage charts are not adequate to determine mileage, the formula of flight time multiplied by cruising speed of the aircraft may be the basis for mileage determination.

10.50.25 Restrictions on reimbursement for privately-owned motor vehicle use

October 1, 2016

10.50.25.a Daily commute transportation expenses between the traveler's official residence and official station (or agency approved teleworking site) is a personal obligation of the traveler and is not reimbursable by the state. All other miles driven on official state business are reimbursable.

The following diagram depicts reimbursable and non-reimbursable privately owned vehicle (POV) mileage.



Following are general guidelines and examples of POV mileage reimbursement:

- An employee may be eligible for mileage reimbursement between their official residence and official station only when the travel is in addition to their daily commute, and the additional travel is required for business purposes and approved by the agency. Mileage would never be paid due to a call back, split shift, or on-call situations, as this would be considered the employee's normal commute.

- Mileage reimbursement may be given when an employee passes directly through their official residence or official station.

  For example: Travelers **may** be reimbursed for miles driven between their official residence and a temporary duty station even when the traveler passes through the official station on the way to and from the temporary duty station.

- Working during hours or days that the employee is not normally scheduled to work **does not** entitle the employee to reimbursement for transportation mileage expenses incurred between their official residence and their official station.

  Example: An employee works 10 hour days Monday through Thursday and has Fridays off. The employee is required to come into the office on Friday, to take care of an emergency. The employee leaves from home and travels to the office to take care of the emergency and returns home. The employee is not entitled to mileage reimbursement, since the trip is considered the employee's normal commute.

- When an employee is assigned to work at more than one location (building) within their official station, they may be reimbursed only for the miles driven between the work locations. The mileage from home to the additional work/training location is not reimbursable if it is in the same city as the official station.

  Example: An employee's official residence is in Lakewood and official station is in Olympia. The employee travels from home directly to training in Olympia. After training the employee goes by the office in Olympia to do some work before returning home. The miles driven between Lakewood and the training center in Olympia are considered the normal commute and therefore not eligible for reimbursement. However, the miles driven between the work/training locations and work are reimbursable.

10.50.25.b Because of the potential of misuse in this area, agencies are cautioned to strictly adhere to Section 10.10, Travel Management Requirements and Restrictions. Agency written internal policies and procedures are to be established to ensure **all** claims for personal vehicle mileage are for travel that is **both critical and necessary** for state business.

10.50.25.c Reimbursement for the use of a privately-owned motor vehicle is payable to only one traveler when two or more travelers are traveling in the same motor vehicle on the same trip.

10.50.35 Restrictions and requirements on rental motor vehicle use

October 9, 2015

10.50.35.a Rent motor vehicles from rental firms approved by the Department of Enterprise Services (DES) using the state charge card system.

The state charge card system or the traveler's personal financial resources may be used to obtain the rental motor vehicle. For contract reporting purposes, agency management should notify DES with the details when personal resources are used.

10.50.35.b When the traveler is billed individually and seeks reimbursement for purchase of rental car services, the traveler should attach the original receipts as required or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments for the costs to the Travel Expense Voucher (form A20-A, or form A20-2A if applicable) or reference the file location. Record the date and purpose of the trip on the Travel Expense Voucher. For contract reporting purposes, agency management should notify DES with the details related to individual reimbursement.

10.50.35.c Passengers may be transported in rental motor vehicles if they are engaged in the conduct of official state business and/or specifically authorized by the agency head or authorized designee.

10.50.35.d The state contract for rental of motor vehicles does not authorize vehicles to be used for other than official state business. Therefore, when a traveler couples a personal vacation with official state business, the traveler is expected to execute a personal contract to rent a motor vehicle for the vacation portion of the trip.

10.50.35.e Since the use of rental motor vehicles makes it difficult to segregate charges between official use and occasional incidental personal use, the agency head or authorized designee is to establish written internal policies in accordance with Subsection 10.10.10 to guard against abuse and require the traveler to pay for all personal miles driven.

10.50.35.f The state contract for rental of motor vehicles usually **includes** full insurance coverage. The state will not reimburse travelers for the cost of additional insurance coverage purchased on state contract vehicle rentals.

10.50.40 Agencies may purchase airline and other common carrier tickets in advance under certain conditions

January 1, 2012

When an agency determines it can save money by taking advantage of discounts offered by a common carrier for advance bookings and payments, it is authorized to pay for airline or other common carrier tickets prior to a scheduled trip if the following conditions are met:

1. The ticket is purchased through the State Charge Card System administered by the Department of Enterprise Services (refer to Subsection 10.10.45), and

2. The agency retains control of the ticket or E-Ticket authorization numbers(s). If unused at the end of the fiscal year, the ticket cost is to be recorded in the concluding fiscal year as an asset rather than an expenditure. Tickets or E-Ticket authorization numbers should be provided to travelers in a timely manner in advance of travel to avoid last minute problems.

10.50.45 How to make air travel arrangements

January 1, 2012

Absent agency specific purchasing requirements, state agencies **must use** a travel provider qualified through the Department of Enterprise Services (DES) when making air travel arrangements.

The only exceptions are for:

- Conditions stated in DES contract documents. Agencies are to contact DES if they have questions regarding the exception conditions.

- Emergency situations that have been approved by the agency designated travel coordinator.

For information on qualified travel providers, contact DES at (360) 902-7400.

10.50.50 Airline contracts and limitations on reimbursement

October 1, 2013

In accordance with the Department of Enterprise Services (DES) negotiated contracts, where a city pair contract exists, such as between Seattle, Washington and Missoula, Montana, reimbursement may be made up to the contract air fare amount. An agency may make reimbursement above the contract airfare only:

- For allowable conditions as stated within the contract documents, **AND**
- When the air carrier has sold all seats for the desired destination.

Except as noted below, reimbursement above the airfare contract is to be at the lowest applicable airfare **not to exceed** tourist class or its equivalent. This reimbursement limitation may be exceeded, if necessary, for the Health and Safety of the traveler (Subsection 10.10.35), and when disabled persons (and a personal care attendant, if necessary for the disabled person to travel) are required to travel.

For specific contract information, contact DES at (360) 902-7400.

Business class air common carrier accommodations may be approved when travel is direct between authorized origin and destination points, including connecting points, and either the origin or destination point is outside the continental United States, and the scheduled one-way flight time is in excess of 14 hours, provided all of the following conditions have been met:

- The agency head or authorized designee approves the business class airline accommodations in advance, and
- The traveler has exhausted all state business frequent flyer miles available for an upgrade.

10.50.55 Criteria and limitations for airport selection

May 1, 1999

10.50.55.a Use the criteria for selecting travel alternatives stated in Subsection 10.10.20 for airport selection. In most cases, this means agencies must select the most economical alternative.

10.50.55.b Use of the local airport is assumed to result in travel expenses that are most economical to the state. Travelers are expected to use their local airport when traveling by regularly scheduled air service on state business, unless an alternative meets one of the criteria and conditions noted in Subsection 10.10.20.

A "Local Airport" is the airport that offers regularly scheduled 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.

The traveler is to provide documentation to support a decision to use an airport other than the local airport.

If the traveler chooses another airport for reasons other than those specified in Subsection 10.10.20, the traveler must bear any costs in excess of the most economical costs.

10.50.65 Limitations on reimbursement for non-air common carrier costs

October 1, 2015

10.50.65.a Normally, the maximum reimbursement for transportation expenses via non-air common carriers is the lowest applicable fare not to exceed the lowest class fare.

Business class non-air common carrier travel may be approved by the agency head or designee when all the following conditions have been met:

- The higher class fare is necessary for having business interaction or for conducting state business while in route to the destination; and
- The higher class fare is less expensive than a coach class airfare or is the only mode of travel available to arrive at the destination.

This reimbursement limitation may be exceeded if necessary for the Health and Safety of the traveler (Subsection 10.10.35), and when disabled persons (and a personal care attendant, if necessary for the disabled person to travel) are required to travel. For specific contract information, contact the Department of Enterprise Services at (360) 902-7400.

10.50.65.b Agencies may adopt written internal policies that allow for use of privately-owned vessels when commercial non-air common carriers are not available or economical. Agency policy must require prior authorization and limit reimbursement to actual costs, such as fuel and moorage, as evidenced by receipts.

10.50.70 How changes in itinerary affect reimbursement

January 1, 2015

If there is an authorized change in a traveler's itinerary while on travel status to conduct official state business, the traveler, whenever possible, is to pay the added cost through a State Charge Card System. If a state charge card receipt is issued, the traveler is to attach the receipt for the added cost to the Travel Expense Voucher (form A20-A or A20-2A) or reference the agency file location.

If the traveler does not have access to a State Charge Card System, the traveler may pay for the added cost from personal financial resources.

In all cases where a traveler is billed individually and is seeking reimbursement for purchase of air carrier services. Either original receipts are required or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments are to be attached to the Travel Expense Voucher (form A20-A or A20-2A) by the traveler or the agency file location referenced.

10.50.75 May the traveler purchase airfare from personal financial resources?

January 1, 2004

Except as provided in Subsection 10.50.70, a traveler may only use personal financial resources to purchase airfare in emergency situations when the State Charge Card System is not accessible. It will be up to the agency's management to authorize reimbursement of charges made with personal financial resources.

When a traveler is billed individually and seeks reimbursement for purchase of airfare, the traveler must attach receipts to the Travel Expense Voucher (form A20-A or A20-2A) or reference the agency file location.

10.50.80 Refunds for unused transportation services

January 1, 2004

The agency should receive a refund for unused contract tickets purchased through a State Charge Card System.

The agency is to treat such refunds as recoveries of expenditures.

10.60
Miscellaneous Travel Expenses

10.60.10 What types of miscellaneous travel costs are reimbursable?

October 1, 2016

Miscellaneous travel expenses essential to the transaction of official state business are reimbursable to the traveler. Reimbursable expenses include, but are not limited to:

- Transportation services including; taxi, shuttle, limousine fares, town car, Uber and Lyft, (including a customary tip or gratuity), motor vehicle rentals, parking fees, and ferry and bridge tolls. However, as noted in Subsection 10.20.20, tolls associated with the use of high occupancy toll (HOT) lanes are considered a personal expense and **not** reimbursable.

- Registration fees required in connection with attendance at approved conventions, conferences, and official meetings.

- Rental of room in a hotel or other place that is used to transact official state business. The room rental is reimbursable as a separate item from lodging when authorized by the agency head or authorized designee.

- Charges for necessary facsimile (fax) services.

- Charges for necessary stenographic or typing services in connection with the preparation of reports and/or correspondence, when authorized by the agency head or authorized designee.

- The actual cost of laundry and/or dry cleaning expenses, **as evidenced by a receipt**, is authorized for travelers in continuous travel status for five (5) or more days in the continental U.S.A. Either original receipts are required or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments. An allowance is already included in the meals and incidental rates for travel outside CONUS (refer to Subsection 10.20.10). Use of a coin-operated Laundromat is allowable. If a receipt for a coin-operated Laundromat is not available, the traveler may claim actual expenses up to $50 on the "Detail of Other Expenses" portion of the Travel Expense Voucher (form A20-A) (refer to Subsection 10.80.40).

- **Mandatory** fees charged by lodging facilities for items such as room safes.
- Fees charged for internet access required in connection with state business travel.
- Charges for checked baggage, if any, excluding overweight charges, for up to the first two bags on domestic flights.
- As part of their system for management and control of travel related costs, agencies shall define the circumstances under which charges for transportation of equipment and materials required to perform state business are reimbursable as a miscellaneous travel expense.
- Charges for GPS devices required in connection with state business travel to ensure timely arrival of the business destination.

10.60.20 Bill expenses greater than $50 to the agency whenever possible

May 1, 1999

Whenever possible, the traveler should not pay for motor vehicle rentals, registration fees, rental of rooms for official state business, and other miscellaneous travel expenses in excess of $50. The traveler should request the vendor of the services to bill the agency in accordance with prescribed purchasing requirements (also refer to Subsections 10.80.50 and 10.80.55).

10.60.30 Costs for personal care attendant services may be reimbursed

May 1, 1999

The cost of personal care attendant services required by disabled travelers in order for them to travel will be allowed as a miscellaneous travel expense. Such costs may include fees and travel expenses of the attendant. The agency head or authorized designee sets the maximum reimbursement for such costs as part of the agency's required system for management and control over travel (refer to Subsection 10.10.10).

10.60.40 Charges by airlines on international flights

July 1, 2011

As part of their system for management and control of travel related costs (refer to Subsection 10.10.10), agencies are required to define the circumstances under which charges assessed by airlines on international flights are reimbursable as miscellaneous travel expenses (examples include baggage fees or seat assignment fees).

10.60.50 State vehicle use of *Good To Go!* passes

October 1, 2016

10.60.50.a Agencies should use *Good To Go!* passes on state vehicles when it makes good business sense to do so. Factors that should be considered include:

- Frequency of travel of a vehicle over tolled bridges;
- Costs associated with non use of passes including increased employee travel time and higher toll rates; and
- Costs/savings associated with use of passes including initial purchase costs, reduced employee travel time, and lower toll rates.

Agencies should actively manage/monitor their *Good To Go!* account. When replenishing the account, agencies should not exceed one month's estimated usage and may not auto-replenish accounts. To avoid higher toll rates and fees associated with toll billings, agencies should maintain a positive balance in their *Good To Go!* account.

For further information about *Good To Go!*, refer to the Washington State Department of Transportation's website at: http://www.wsdot.wa.gov/GoodToGo/default.htm.

10.60.50.b Use of High Occupancy Toll or Express Toll lanes in state vehicles.

Except as otherwise authorized in law or regulation, state owned vehicles shall utilize the High Occupancy Toll (HOT) or Express Toll lanes only when they meet the posted high occupancy vehicle (HOV) requirement. If the state vehicle is equipped with a *Good To Go!* pass, a pass disabling device must be used. The Washington State Department of Transportation (WSDOT) maintenance vehicles servicing the corridor are exempt from the posted HOV requirement.

For further information about tolling, refer to WSDOT's website at: http://www.wsdot.wa.gov/Tolling/.

10.70
Boards, Commissions, or Committees

10.70.00 Travel restricted

July 1, 2011

On June 7, 2011, the Governor signed Engrossed Second Substitute House Bill 1371 which restricts travel costs for boards and commissions effective July 1, 2011.

All executive, legislative, or judicial branch boards and commissions must comply with the policies in this section.

10.70.00.a All boards and commissions when feasible shall use alternative means of conducting meetings which do not require travel, while still maximizing member and public participation. Refer to Subsection 10.10.25.

10.70.00.b When a physical meeting is required, the meetings must be held in public facilities whenever possible.

10.70.00.c Unless required as a condition to maintain or receive federal funding or physical presence at a meeting is specifically required by statute, no member of a class one through class three or class five board, commission, council, committee of similar group may receive an allowance for subsistence (meals), lodging or travel expenses when funded by the General Fund - State.

Exceptions may be granted as set forth below for:

- Executive branch agencies, the Director of the Office of Financial Management;
- Judicial branch agencies, the Chief Justice of the Supreme Court;
- Legislative agencies, the Chief Clerk of the House of Representatives and/or the Secretary of the Senate;
- Boards under the authority of a separately elected official, the separately elected official;
- Institutions of higher education, the president of the institution; and
- Constitutionally created boards, the chair of the board.

10.70.10 Types of boards, commissions, or committees

Jan. 1, 2000

There are two general categories of Boards, Commissions, or Committees:

- Advisory, coordinating, or planning capacity.
- Rule making capacity.

Reimbursement for travel expenses is dependent upon the type of board, commission, or committee that members are assigned to and the payment option selected.

10.70.20 Meal and lodging reimbursement for members serving in an advisory, coordinating, or planning capacity

July 1, 2011

Travel, meal and lodging reimbursements are restricted. Refer to Subsection 10.70.00.

10.70.20.a This subsection addresses reimbursement for those persons appointed to serve on any state board, commission, or committee in an advisory, coordinating, or planning capacity. This encompasses individuals serving on:

- A **Class One board**, commission, or committee as established in RCW 43.03.220.
- **Others -** Any part-time board, commission, council, committee, or other group of similar nature not covered by RCW 43.03.220 but established by the executive, legislative, or judicial branch to participate in state government in primarily an advisory, coordinating, or planning capacity.

10.70.20.b Except as otherwise provided by law, **all** members serving in an advisory, coordinating, or planning capacity (class one or others), if entitled to reimbursement for meals and lodging are to be reimbursed under one of the two options listed below. Payments to advisory board members should comply with IRS Annual U.S. Information Returns (1099's) requirements.

Option 1

For allowable meal and lodging expenses in non-high cost areas of the Continental USA, reimburse at the hourly, non-high cost per diem rate displayed in Subsection 10.90.20 for each hour spent in going to a meeting, attendance at a meeting, and returning from the meeting.

For allowable meal and lodging expenses in high cost areas of the Continental USA and in all areas outside the Continental USA, reimburse members at an hourly rate equal to 1/24th of the maximum allowable per diem rate in effect at the time of travel for the specific area or locality, as displayed in Subsection 10.90.10.

Under this option, members attending meetings and performing other official business are considered to be in travel status and the three-hour rule (Subsection 10.40.50) and official station rule (Subsection 10.30.40) do not apply. An internal travel policy is required for agencies that use this option.

Members should submit claims for reimbursement on a Travel Expense Voucher designed for members of boards and commissions (form A20-2A) after the travel has occurred.

Subsection 10.30.20 (Exception to the Maximum Allowable Lodging Amounts) may not be used in cases where individuals paid under this option are attending board meetings.

Option 2

Under this option, members are reimbursed allowable meal and lodging expenses on the same basis, and under the same regulations, as regular state officials and employees, unless otherwise provided in statute. These individuals should claim reimbursement on a Travel Expense Voucher (form A20-A). Use of this option for reimbursement requires prior written approval from the agency head or authorized designee.

10.70.30 Meal and lodging reimbursement for members serving in a rule-making capacity

July 1, 2011

Travel, meal and lodging reimbursements are restricted. Refer to Subsection 10.70.00.

This subsection addresses reimbursement for those persons appointed to serve on any state board, commission, or committee in a rule-making capacity. This encompasses individuals serving on:

- A **Class Two, Three, Four, or Five board**, commission, or committee established in RCW 43.03.230, 43.03.240, 43.03.250, or 43.03.265 respectively.

- **Others** – Any part-time board, commission, council, or committee not covered by RCW 43.03.230, 43.03.240, 43.03.250, or 43.03.265, but established by either the executive, legislative, or judicial branch to participate in state government. These members have rule-making authority, perform quasi-judicial functions, have responsibility for the administration or policy direction of a state agency or program, or perform regulatory or licensing functions with respect to a specific profession, occupation, business, or industry.

Except as otherwise provided by law, members who are entitled to reimbursement are to be reimbursed for meals and lodging as follows:

10.70.30.a **Class Two, Three, Four and Five Boards**

Individuals serving on either a Class Two, Three, Four, or Five board, commission, council, or committee are to be reimbursed allowable meal and lodging expenses on the same basis, and under the same regulations, as regular state officials and employees, unless specifically provided otherwise in statute. These individuals should claim reimbursement on a Travel Expense Voucher (form A20-A).

10.70.30.b **Others**

Individuals serving on any part-time board, commission, council, committee, or other group of similar nature not covered by RCW's 43.03.230, 43.03.240, 43.03.250, or 43.03.265, are to be reimbursed under one of the following two options:

Option 1

For travel in non-high cost areas of the Continental USA, reimburse members for meal and lodging expenses at the **daily**, non-high cost per diem rate displayed in Subsection 10.90.20 for each day or portion thereof spent to conduct board, commission, council, or committee business.

For travel in high cost areas of the Continental USA or in all areas outside the Continental USA, reimburse members for meal and lodging expenses at the **daily** maximum allowable per diem rate for the location for each day or portion thereof spent to conduct official business. Per diem rates for these locations are contained in Subsections 10.90.10 and 10.90.20.

Under this option, members attending meetings and performing other official business are considered to be in travel status and the three-hour rule (Subsection 10.40.50) and official station rule (Subsection 10.30.40) do not apply. An internal travel policy is required for agencies that use this option.

Individuals should submit claims for reimbursement on a Travel Expense Voucher designed for members of boards and commissions (form A20-2A) after the travel has occurred.

Meal and lodging expense reimbursement under Option 1 does not meet the requirements of an accountable plan as defined by the Internal Revenue Service and is subject to federal employment taxes.

Subsection 10.30.20 (Exception to the Maximum Allowable Lodging Amounts) may not be used in cases where individuals paid under this option are attending board meetings.

Option 2

Under this option, members are reimbursed allowable meal and lodging expenses on the same basis, and under the same regulations, as regular state officials and employees, unless otherwise provided in statute. Claims for reimbursement should be submitted on a Travel Expense Voucher (form A20-A). Use of this option for reimbursement requires prior written approval from the agency head or authorized designee.

10.70.40 May lodging taxes be reimbursed?

July 1, 2011

Travel, meal and lodging reimbursement are restricted. Refer to Subsection 10.70.00.

In addition to the Maximum Lodging Amounts contained in Subsections 10.90.10 and 10.90.20, board members on overnight travel may be reimbursed taxes paid on lodging as evidenced by a receipt. Refer to Subsection 10.90.10.d for rules on lodging taxes for the Non Continental USA and Foreign locations.

10.70.50 Exceptions to the meal reimbursement rates

July 1, 2011

Travel, meal and lodging reimbursements are restricted. Refer to Subsection 10.70.00.

10.70.50.a Members of a board, commission, or committee who receive per diem (meals and lodging) reimbursement allowances are expected to pay the cost of any meals provided with meetings, etc. When the meal has been purchased by the agency, the cost can be deducted on form A20-A or form A20-2A as applicable, or the member may make payment to the agency.

10.70.50.b Some members of boards, commissions, or committees are specifically authorized by statute to be reimbursed the actual cost of meals. When the actual cost of meals exceeds the meal allowances contained in Subsections 10.90.10 and 10.90.20, receipts must be attached to the form A20-A or A20-2A, or their agency file location referenced.

10.70.55 Who is authorized to be reimbursed for travel expenses?

July 1, 2011

Travel, meal and lodging reimbursements are restricted. Refer to Subsection 10.70.00.

Eligibility for travel expense reimbursement is established in the law creating the board, commission or committee. Absent specific authorization, members of boards, commissions or committees are not eligible for travel expense reimbursement.

10.70.60 How should travel expenses other than meals and lodging be reimbursed?

July 1, 2011

Travel, meal and lodging reimbursements are restricted. Refer to Subsection 10.70.00.

Unless the law provides a specific reimbursement process, those persons appointed to serve on any state board, commission, or committee (advisory or rule making) are to be reimbursed for transportation and other travel expenses in the same manner as state officials and state employees.

10.70.70 Coffee and light refreshments may be served at board, commission, or committee meetings

July 1, 2011

Travel, meal and lodging reimbursement are restricted. Refer to Subsection 10.70.00.

All legally authorized boards, commissions, or committees may provide coffee and/or light refreshments at their official public meetings (including executive sessions) under the provisions of Subsection 70.10.20.

10.80
Travel Expense Claims, Payments, Reimbursements and Advances

10.80.10 What is the purpose of the Travel Expense Voucher?

Jan. 1, 2000

The Travel Expense Voucher (form A20-A or A20-2A) is used to:

- Document the authorization for travel within the state of Washington.
- Document the approval of travel related expenses for all travel.

10.80.20 What are the traveler's responsibilities in completing the Travel Expense Voucher?

July 1, 2014

The traveler has the following responsibilities for completing the Travel Expense Voucher and certifying travel expenses:

1. Prepare the Travel Expense Voucher, providing the level of detail requested on the form.

2. In the "PURPOSE OF TRIP" column, describe the purpose or accomplishments of the trip in enough detail to document that the travel was essential to carry out the necessary work of the agency.

3. For manually prepared vouchers, attach receipts and documentation required by agency policy and this chapter. (Refer to Subsection 10.80.40). For electronically prepared and submitted vouchers, reference the agency file location for all receipts. Either original receipts are required or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments.

4. Submit the travel voucher to the person authorized to approve travel in accordance with agency policy and the requirements of this section.

10.80.30 What are the agency responsibilities in reviewing and paying the Travel Expense Voucher costs?

October 1, 2001

10.80.30.a **Agency Head or Designee**

Reviews and approves the voucher.

10.80.30.b **Agency Fiscal Office**

Process the payment to the employee no later than ten (10) work days after receipt of the **properly completed** Travel Expense Voucher.

10.80.30.c **Agency's Chief Fiscal Officer Must Sign for Travel of Agency Head**

An agency head is to be reimbursed for travel expenditures only after the agency head and the agency's chief fiscal officer have personally signed the agency head's Travel Expense Voucher certifying that the agency head's travel is in compliance with state travel policy. The chief fiscal officer's immediate assistant may sign the voucher in place of the chief fiscal officer in those emergency situations when the chief fiscal officer is not available. The chief fiscal officer's signature does not relieve any responsibility from the agency head for wrongdoing relating to travel reimbursement.

10.80.40 Receipts and documentation required in support of Travel Expense Vouchers

January 1, 2015

10.80.40.a Original receipts or agency policy may allow non-original receipts if the agency ensures adequate controls are in place to reduce the risk of duplicate or improper payments, for the following items are required to accompany the Travel Expense Voucher or have the agency file location referenced:

1. Lodging at a commercial facility. (Except for daily per diem payments made to members of Boards, Commissions, or Committees.) (Section 10.70).

2. The actual cost of laundry and/or dry cleaning expenses for travelers in continuous travel status for five (5) or more days. Use of a coin operated Laundromat is allowable. If a receipt for a coin operated Laundromat is not available, the traveler may claim actual expenses up to $50 on the "Detail of Other Expense" portion of the Travel Expense Voucher. (Refer to Subsection 10.60.10.)

3. Allowable miscellaneous expenditures (Refer to Section 10.60) for amounts in excess of $50, per item per day, plus any applicable tax. However, the following items do not require receipts, regardless of the amount:
   - Day parking fees.
   - Transit fares, ferry fares, bridge and road tolls.
   - Taxi, shuttle, and limousine fares when necessary and on official state business.
   - Telephone calls where it is necessary to use a coin box telephone or where the telephone call cannot be charged to the traveler's office telephone extension.
4. Meal receipts when required by agency policy.

10.80.40.b The following documentation should be completed on the Travel Expense Voucher where applicable:

1. When lodging or meals are being reimbursed, the exact time, including **A.M. or P.M.** designation of departure and return.
2. When two or more travelers are traveling together in one motor vehicle, each traveler is to indicate this fact by identifying, on the expense voucher, the person(s) accompanying the traveler and the travel destination of each.

10.80.50 Miscellaneous supplies exceeding $50 should not be included on the Travel Expense Voucher

Jan. 1, 2000

The expense voucher is not to include expenses for supplies exceeding $50, plus applicable tax. Such items are to be purchased in accordance with prescribed state purchasing requirements and taken along on the trip.

10.80.55 Paying vendors directly for travel costs

July 1, 2000

Pursuant to RCW 43.03.065:

Written approval of the agency head or authorized designee must be obtained prior to authorizing direct billing of the traveler's meal and lodging expenses to the agency and direct payment to the vendor by the agency.

Any payments made in accordance with this subsection are to be supported, at a minimum, by documents consisting of:

- A copy of the agreement (e.g., a field order, etc.) entered into between the vendor and the agency setting forth the services to be rendered by the vendor and the charges thereof;
- A list of the state officials, state employees, and other attendees for whom such goods and services were provided and the dates they were provided, and
- A vendor billing in sufficient detail to ensure that payments are made in conformance with the written agreement between the parties.

Payments to vendors for travel expenses are not to result in a cost to the state in excess of what would be payable by way of reimbursement to the individuals involved.

Each agency is required to institute procedures that will ensure that any payments made under this subsection are reasonable, accurate, and necessary for the conduct of the agency's business.

10.80.60 Travel expense advances

October 1, 2005

10.80.60.a **Purpose**

An agency may make a travel expense advance to defray some costs the traveler may incur while traveling on official state business away from the official station or residence.

10.80.60.b **Limitations and requirements:**

1. RCW 43.03.150 limits travel advances to officers and employees.
2. The advance is to cover a period not to exceed 90 days.
3. The traveler receives the advance no more than 30 days before the start of travel.
4. Travel advances are prohibited:
   - For use of privately owned vehicles. (RCW 43.03.170)
   - For the purchase of commercial airfares. (RCW 43.03.170 and 43.03.190 through 43.03.200).

5. The officer or employee must expend the travel advance only to defray necessary reimbursable costs while performing official duties.

6. No travel advance shall be considered for any purpose as a loan to an officer or employee, and any unauthorized disbursement of a travel advance is to be considered as a misappropriation of state monies by the officer or employee.

7. Agencies are to establish written policies prescribing a reasonable amount for which such advances may be written. (RCW 43.03.150 and 43.03.170).

10.80.60.c **How to Obtain Travel Expense Advances**

The traveler is to submit a Travel Authorization form (A40-A or agency equivalent) to the supervisor. The supervisor is to review and approve the proposed travel, and forward the Travel Authorization form to the agency head or designee. Upon approval of the advance, the agency fiscal office is to process the document for payment and present the traveler with a check or warrant.

10.80.60.d **Submitting and Accounting for Travel Advances**

- The traveler shall submit a fully itemized Travel Expense Voucher on or before the tenth day following each month in which a travel advance was furnished to a traveler. The traveler must fully justify the expenditure of any portion of the advance for legally reimbursable items on behalf of the state.

- The traveler shall return any portion of the travel advance not expended to the agency at the close of the authorized travel period. The traveler is to submit the payment with a properly completed Travel Expense Voucher and may make the payment by check, or similar instrument, payable to the agency. (RCW 43.03.180).

- If the travel advance is less than or equal to the travel expenses incurred, the traveler is to submit a properly completed Travel Expense Voucher on or before the tenth day following the month in which the authorized travel period ended. The expense voucher is to contain an itemization of expenditures and is to indicate the net amount, if any, due the traveler. The agency is to process the expense voucher in accordance with Subsection 10.80.30 and reimburse the traveler for any additional amount due.

10.80.60.e **Default on Repayment of the Advance by the Traveler**

- When a traveler defaults in accounting for or repaying an advance, the full unpaid amount shall become immediately due and payable with interest of ten (10) percent per annum from date of default until paid.
- To protect the state from any losses on account of travel advances made, the state has a prior lien against and shall withhold any and all amounts payable or to become payable by the state to such officer or employee up to the amount of such travel advance and interest at a rate of ten percent per annum, until such time as repayment or justification has been made. (RCW 43.03.180 through 43.03.190).

10.80.70 Internal Revenue Service regulations affecting travel expenses and travel advances

Jan. 1, 2000

10.80.70.a The federal Internal Revenue Service (IRS) has implemented tax rules affecting travel advances. The IRS requires travelers receiving travel advances to substantiate their travel expenses and to return to their employer any unspent portions of the travel advance within a reasonable time period. If the traveler does not substantiate the travel expenses or does not return any unspent portion of a travel advance within a reasonable time period, the traveler's employer is required to report the amount of the travel advance as income in Box 1 of Form W-2. This payment is subject to applicable payroll withholding taxes.

10.80.70.b For purposes of state travel regulations, if a traveler substantiates a travel expense in accordance with state travel regulations on a state Travel Expense Voucher within sixty (60) days after it is incurred, the traveler will have met the reasonable time period requirement. Further, the travel expenses the traveler incurred will not be considered income. Likewise, if a traveler returns to the employer any unspent portion of a travel advance within 120 days after incurring a travel expense related to the travel advance, the traveler will have met the reasonable time period requirement. When this occurs, the unspent portion of the travel advance will not be considered income.

10.80.70.c When a traveler fails to meet either of the timeliness criteria stated in item b above, the agency is required to consider the unsubstantiated travel expense and the unspent portion of the travel advance as income and deduct the applicable payroll withholding taxes from the traveler's next semi-monthly earnings. Consequently, agencies are required to establish tracking systems in order to comply with this IRS regulation.

10.90
Travel Rates

10.90.10 Reimbursement rates

January 1, 2015

10.90.10.a This section provides lodging, subsistence, and mileage rates for state officials and employees traveling on official state business (RCW 43.03.050). The Office of Financial Management (OFM) revises this section periodically based upon changes to source documents produced by three separate agencies of the federal government as well as changes required by the State Legislature.

10.90.10.b **Lodging, Meals, and Private Vehicle Mileage Rates for the Continental USA**

Refer to Subsection 10.90.20.

10.90.10.c **High Cost Lodging and Subsistence Rates for the Continental USA**

Per Diem allowances for High Cost Locations in the Continental USA are periodically revised by the U.S. General Services Administration (GSA) and can be accessed online:

- For locations within Washington state, refer to the Per Diem Rates map on OFM's Administrative and Accounting Resources website at: http://www.ofm.wa.gov/resources/travel.asp.

- For locations outside of Washington state, refer to the GSA website at: www.gsa.gov. Select U.S. Per Diem Rates to view rates for the Continental USA. Taxes may be added to the lodging rates shown in these tables.

If the travel location is not listed (city or county), use Subsection 10.90.20 lodging and subsistence rates for non high-cost areas.

For cities in the U.S. where the counties are not known, refer to the National Association of Counties website at: http://www.naco.org/counties/queries/city_srch.cfm.

10.90.10.d **Lodging and Subsistence Rates for the Non Continental USA and Foreign Locations**

Per Diem allowances for foreign locations, Alaska, Hawaii, and US Possessions are revised monthly and can be accessed online:

- Refer to the U.S. Department of State – Foreign Per Diem Rates website at: http://aoprals.state.gov/content.asp?content_id=184&menu_id=78.

- Rates for Alaska, Hawaii, and U.S. possessions follow the foreign rates at: http://www.defensetravel.dod.mil/site/perdiemCalc.cfm.

  Use the outside CONUS, Non-Foreign Overseas, and Foreign query tool. Most of the lodging rates in these tables include all taxes. However, taxes on lodging are separately reimbursable for Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, and U.S. possessions.

10.90.10.e State agencies without access to the Internet may contact their OFM Accounting Division Consultant or Travel Policy Consultant to obtain the current rates for Continental USA, Non Continental USA, and Foreign locations.

10.90.20 Reimbursement rates for lodging, meals, and privately owned vehicle mileage

January 1, 2017

The following summary shows the reimbursement rates for lodging, meals, and privately owned vehicle mileage for the Continental USA:

Reimbursement Rates for Lodging, Meals, and Privately-Owned Vehicle Mileage

For the Continental USA - 48 Contiguous States and the District of Columbia

Rates as of October 1, 2016	Notes
Maximum Allowable Lodging Rates (see notes for tax treatment) **Non High-Cost Locations** (In State and Out-of-State) • Maximum rate = $91.00 / night plus tax • Exception to maximum rate = $213.00 / day {(91 + 51) x 150%} **High-Cost Locations.** For rates for individual high cost locations in the Continental USA, refer to the U.S. General Services Administration website at: www.gsa.gov. **Seasonal Lodging Rates.** For out of state locations, refer to the U.S. General Services Administration website at: www.gsa.gov. For seasonal rate information for Washington state locations, refer to the state Per Diem Rates map on OFM's Travel Resources website at: http://www.ofm.wa.gov/resources/travel.asp.	The reference for the maximum lodging rates is on the U.S. General Services Administration website at: www.gsa.gov. Select U.S. Per Diem Rates by Location (Continental USA) to view rates for the contiguous 48 states (amounts shown **are before adding applicable state and local taxes to the reimbursement rates**) or Foreign Per Diem Rates (taxes included) to view rates for Alaska, Hawaii, and U.S. possessions.
Meal Rates (including taxes and tips and incidental expenses) **Non High-Cost Locations** / **High-Cost Locations** Breakfast *(25%)* $13.00 / $14.00 / $15.00 / $16.00 / $17.00 / $19.00 Lunch *(30%)* 15.00 / 16.00 / 18.00 / 19.00 / 21.00 / 22.00 Dinner *(45%)* 23.00 / 24.00 / 26.00 / 29.00 / 31.00 / 33.00 Totals $51.00 / $54.00 / $59.00 / $64.00 / $69.00 / $74.00	To determine which high cost meal rate applies for a specific high cost location in the Continental USA, refer to the U.S. General Services Administration website at: www.gsa.gov. (Meal rates will be referred to as subsistence rates.) When calculating the meal breakdown for high cost meal locations in the Continental USA or Foreign Locations not listed in the table to the left, use the percentages in Subsection 10.40.10.c.
Non High-Cost Per Diem Rate • Daily rate = $142.00 / day = Non high-cost lodging rate ($91) + Non high-cost meals rate ($51) • Hourly rate = $142.00 / 24 hours = $5.92 per hour	Certain types of boards and commissions use both daily and hourly rates (Section 10.70). Also, the hourly rate is used when an employee is authorized to use a privately owned travel trailer or camper (Subsection 10.30.70).
Rates as of January 1, 2017	**Notes**
Privately-Owned Vehicle (POV) Mileage Rate = $0.535/ mile	Source: IRS Notice 2016-79.
Privately-Owned Aircraft Mileage Rate = $1.17/ statute mile Airplane nautical miles (NMs) should be converted into statute miles (SMs) when submitting a voucher using the formula (1 NM equals 1.15077945 SMs).	Refer to the U.S. General Services Administration website at: www.gsa.gov. Nautical mile information can be found on several websites including: www.airportcitycodes.com/
Privately-Owned Motorcycle Mileage Rate = $0.51/ mile	Source: Federal Travel Regulation GSA Bulletin FTR 16-02 Dec. 23, 2015.

This page intentionally left blank.

Chapter 20 - Internal Control and Auditing

20.10 About Internal Control and Auditing Policies

20.10.10	The purpose of this chapter	July 1, 2008
20.10.20	Authority for these policies	July 1, 2008
20.10.30	Applicability	July 1, 2008

20.15 Internal Control Basics

20.15.10	Background	July 1, 2008
20.15.20	Internal control definition	July 1, 2008
20.15.30	Who is responsible for internal control?	July 1, 2008
20.15.40	Internal control framework components	July 1, 2008
20.15.50	Annual requirements for agencies	July 1, 2008

20.20 Risk Assessment

20.20.10	What is risk assessment?	July 1, 2008
20.20.20	How does an agency identify risk?	July 1, 2008
20.20.30	How does an agency analyze and measure risk?	July 1, 2008
20.20.40	How does an agency respond to risk?	July 1, 2008

20.25 Control Activities

20.25.10	What are control activities?	July 1, 2008
20.25.20	How should control activities be incorporated into an agency's internal control plan?	July 1, 2008
20.25.30	Commonly used control activities	July 1, 2008
20.25.40	What are some limitations of control activities?	July 1, 2008
20.25.50	What internal control documentation is required?	July 1, 2008

20.40 Internal Auditing Policies

20.40.10	Why an internal audit function?	May 1, 1999
20.40.20	What is internal auditing?	May 1, 1999
20.40.30	What are the differences between internal and external auditing?	May 1, 1999
20.40.40	What are the basic requirements of internal auditing?	May 1, 1999

20.10
About Internal Control and Auditing Policies

20.10.10 The purpose of this chapter
July 1, 2008

This chapter provides agency heads, managers, internal control officers, internal auditors, and other agency staff with a background in and approach to establishing and maintaining an effective system of internal control and internal audit so as to reasonably assure that they are meeting their respective objectives.

20.10.20 Authority for these policies
July 1, 2008

The Budget and Accounting Act is found in Chapter 43.88 RCW. Section 43.88.160 (4) requires that the director of the Office of Financial Management (OFM), as an agent of the governor:

"Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by the classes of agencies, depending on the level of resources at risk. Each agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following the standards of internal auditing of the Institute of Internal Auditors..."

20.10.30 Applicability
July 1, 2008

This chapter is applicable to and binding on all agencies of the state of Washington, unless otherwise exempted by statute or rule. The Budget and Accounting Act (RCW 43.88.020) defines the term "Agency" to mean and include "...every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board and commission, except as otherwise provided....”

20.15
Internal Control Basics

20.15.10 Background
July 1, 2008

In the United States there is common guidance on the structure of internal control systems. This is due in part to guidance issued by the American Institute of Certified Public Accountants (AICPA) and the federal Office of Management and Budget (OMB). It is also due to a 1992 report on internal control, *Internal Control – Integrated Framework (Framework),* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). An addendum was published in 1994, and the *Framework* has remained unchanged since then.

The *Framework* is the national internal control standard, and Chapter 20 has been and continues to be based on *Framework* guidance. In 2006, COSO published additional guidance on how to apply the *Framework* and in 2007 and 2008, published *Guidance on Monitoring*. In addition to the aforementioned COSO updates, new standards were recently adopted by the AICPA and OMB that strengthen assessment and reporting requirements for internal controls. Chapter 20 incorporates concepts from the updated COSO guidance and the new AICPA and OMB standards.

20.15.20 Internal control definition
July 1, 2008

Internal control is 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. For purposes of Chapter 20, 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.
- Encourage adherence to policies for accounting and financial controls.

This definition of internal control reflects the following fundamental concepts:

- Internal control is a process. It is not one event, but a series of ongoing actions and activities that occur throughout each agency's operations and should be an integral part of each agency rather than an add-on system within an agency.

- People are what make internal control work. While the responsibility for good internal control ultimately rests with management, all agency personnel play important roles.

- No matter how well designed and operated, internal control can provide only reasonable (not absolute) assurance that all agency objectives will be met.

20.15.30 Who is responsible for internal control?

July 1, 2008

Each agency, regardless of size, is required to adopt methods to periodically assess risk and to develop, implement, and review its system of internal controls. The methods should be tailored to the specific needs of the agency.

20.15.30.a The **agency head or authorized designee** is ultimately responsible for identifying risks and establishing, maintaining, and reviewing the agency's system of internal control. If the agency head delegates this responsibility, the designated person should have sufficient authority to carry out these responsibilities. Normally, this person is a senior agency manager who does not serve in the internal audit function.

20.15.30.b The **internal control officer** (ICO) is responsible for coordinating the agency-wide effort of evaluating internal controls, reporting on reviews, and improving control activities, using the guidance in this chapter. This person provides assurance to the agency head that the required risk assessments and the necessary evaluative processes have been done. In some agencies the ICO may perform these duties on a full-time basis. In other agencies the ICO duties may be assigned to staff who also perform other duties as long as the other duties are not incompatible with the ICO duties. Refer to Subsections 20.15.40.b and 20.15.50.

20.15.30.c **Agency management** at all levels is responsible for internal control under their span of control. Management should make it clear that **agency staff** have explicit or implicit control activity duties including: delivery of services to the public; producing information for the management control system; maintaining financial information; and inspecting or maintaining physical assets. In addition, agency management should provide channels outside normal reporting lines so agency staff can report problems in operations, noncompliance with codes of conduct, violations of policy, and illegal acts.

Management is also responsible to convey the importance of internal controls to all personnel both by what they say and what they do. If management is willing to override controls, then the message that controls are not important will be conveyed to employees.

20.15.30.d **Each agency employee** is responsible to be aware of and attentive to risk management and internal control issues, to consider limitations and key risk areas, to document decisions and to provide support information. To be most effective, employees need to understand the agency's mission, objectives, responsibilities, and their own role in managing risk. Each employee is also responsible to report to management noncompliance with codes of conduct, violations of policies, and illegal acts.

20.15.30.e The **internal auditor or other professionals** (internal or external to the agency) may provide technical assistance in developing appropriate procedures to conduct risk assessments and internal reviews of control activities.

20.15.30.f Depending on an agency's governance structure, an **audit committee** could help the agency review, monitor, and/or direct the agency's activities related to maintaining effective internal control. An agency audit committee could also improve financial practices and reporting and enhance both the internal and external audit functions.

20.15.40 Internal control framework components

July 1, 2008

There are five interrelated components of an internal control framework: control environment, risk assessment, control activities, information and communication, and monitoring. These components make up the minimum level of internal control an agency needs to have in place and are the basis against which internal control is evaluated.

To implement the framework, management develops the detailed policies, procedures, and practices to fit their agency's operations, and ensures that they are built into and are an integral part of operations. If an agency considers the framework components in its planning efforts and builds them into its daily processes, the agency will be poised to achieve the maximum benefit for the lowest cost.

20.15.40.a Control environment

The control environment of an agency sets the tone of the organization and influences the effectiveness of internal controls within the agency. The control environment is an intangible factor. Yet, it is the foundation for all other components of internal control, providing discipline and structure and encompassing both technical competence and ethical commitment.

Management is very influential in determining the control environment and influencing the control consciousness of agency staff. Internal controls are likely to function well if management believes that those controls are important and communicates that view to employees at all levels. Conversely, internal controls are likely to be ineffective if management does not believe the controls are important or if management communicates a negative view of controls to employees.

Management influences the control environment through their integrity and ethical values, commitment to competence, philosophy and operating style, design of the organizational structure, assignment of authority and responsibilities, and human resource policies and practices.

Management also influences the control environment through communication of the agency's values and behavioral standards to employees. This can be done by setting a good example, showing a positive attitude toward accounting and internal control, displaying and following a formal code of conduct, communicating other agency policies and procedures, taking swift and appropriate disciplinary action in response to policy departure, and maintaining clear and updated job descriptions.

20.15.40.b **Risk assessment**

Within the context of the state's operating environment, management sets goals and objectives at the unit and agency level that align with the agency's mission and state law. Objectives must exist before management can identify potential events affecting their achievement.

Risk assessment is the process of: identifying risks to achieving agency objectives; analyzing potential events, considering their likelihood of occurring and impact on achieving agency objectives; and deciding how to respond to the risks.

The first step is risk identification, which is the ongoing process of collecting, analyzing and adjusting information about what could happen in agency operations that would adversely affect the ability to achieve agency objectives.

To fully identify risks, both internal and external events that can affect the achievement of an agency's objectives need to be considered. Risk identification methods may include qualitative and quantitative ranking activities, forecasting, strategic planning, and consideration of findings from audits and other assessments.

Management should be aware of potential high-risk areas and should look for high risk where:

- There is a susceptibility to or history of waste, fraud, or errors.
- Changes have occurred in the organizational structure, systems, or personnel.
- Controls have not been reviewed for a substantial period of time.

The second step is analyzing the key risks for their possible effect, considering likelihood and impact. **Likelihood** is the possibility that a specific event will occur. **Impact** is the result or effect of an event.

The third step is deciding how to respond to each risk. The most common risk responses are avoiding, reducing, transferring (sharing), and accepting risk. A complete risk response should consider what actions to take and who is responsible. Refer to Section 20.20 for more information on risk assessment.

20.15.40.c **Control activities**

Control activities help ensure risk responses are effectively carried out and include policies and procedures, manual and automated tools, approvals, authorizations, verifications, reconciliations, security over assets, and segregation of duties. These activities occur across an agency, at all levels and in all functions, and are designed to help prevent or reduce the risk that agency objectives will not be achieved.

Managers set up control activities to provide *reasonable assurance* that the agency and business unit objectives are met. An example of a control activity is something as simple as listing tasks assigned to staff members and then periodically checking the list to verify that assignments are completed on time. Refer to Section 20.25 for further discussion of control activities.

20.15.40.d **Information and communication**

An agency's control structure must provide for the identification, capture and exchange of information both within the agency and with external parties. Information communicated should be timely and accurate.

Risk communication creates a dialog about the existence, nature, severity, or acceptability of risks. The identification of new risks or changes in risk is dependent on communication.

Communication can be formal through reports, training, written policy manuals, accounting and financial reporting manuals, websites, memoranda, etc. Information is also communicated informally through email, speech, and actions of management and other agency personnel.

Effective **internal communication** happens when information can travel in all directions within an agency – up, down, and across. Clear internal communication conveys the agency's code of ethics, internal control philosophy and approach, and delegation of authority. Communication effectively conveys the importance and relevance of internal control and the roles each person plays to support it, including the means of reporting exceptions to an appropriate higher level within the agency.

Open **external communication** channels allow stakeholders, including citizens, clients, and suppliers, to understand the agency's service standards and provide valuable input on performance and service quality and effectiveness. This exchange enables an agency to address evolving needs, demands, and preferences. Management should appropriately convert such input into continuous improvements in operations, reporting, and compliance.

20.15.40.e **Monitoring**

Things change and, by monitoring the risks and the effectiveness of control measures on a regular basis, an agency can react dynamically to changing conditions.

Monitoring evaluates the effectiveness of an agency's internal controls and is designed to ensure that internal controls continue to operate effectively. Monitoring is effective when it leads to the identification and correction of control weaknesses *before* they **materially** affect the achievement of the agency's objectives.

An agency's internal control is most effective when there is proper monitoring, results are prioritized and communicated, and weaknesses are corrected and followed up on as necessary.

There are two types of monitoring: ongoing and periodic. Ongoing monitoring occurs in the course of operations. It includes tasks such as supervisory reviews of reconciliations, reports, and processes. Periodic monitoring includes tasks such as periodic internal audit sampling and annual reviews of high-risk business processes. Internal control deficiencies uncovered by monitoring should be reported to higher levels of management.

20.15.50 Annual requirements for agencies

July 1, 2008

20.15.50.a Annual assurance

A risk assessment and internal control review process provides management with reasonable assurance that controls are operating as expected. In addition, the process should be used to determine if internal control modifications are needed by considering events that have occurred, processes or procedures that have changed, new projects or programs that are being planned or implemented, and other changes within the agency that may have additional risks. If the review uncovers internal control weaknesses or if prior weaknesses still exist, they should be documented and addressed.

Periodically, an agency should conduct a comprehensive review of the internal control structure to determine if it is adequately addressing agency risks. This can be done agency-wide at one time or by sections of the agency over a period of time.

Agencies must maintain adequate written documentation of activities conducted in connection with risk assessments, review of internal control activities and follow-up actions. This documentation includes any checklists and methods used to complete these activities. Refer to Subsection 20.25.50 for required documentation. For sample checklists and procedures, refer to the OFM Administrative and Accounting Resources website at: http://www.ofm.wa.gov/resources/default.asp.

Agencies have the flexibility to assign appropriate staff to complete the risk assessments and review of internal control activities required by this policy. The internal control officer is the person appointed by the agency head who is assigned responsibility for coordinating and scheduling the agency-wide effort of evaluating and reporting on reviews and improving control activities. The internal control officer also provides assurance to the agency head that the agency has performed the required risk assessments and the necessary evaluative processes. This communication may be ongoing and informal, but **at least once per year**, this assurance must **be made in writing** to the agency head.

The internal control officer is responsible for ensuring that the required documentation is maintained and available for review by agency management, the State Auditor's Office (SAO), and OFM.

20.15.50.b **Annual reporting**

Annually, each agency head and chief financial officer is required to sign and submit a Financial Disclosure Certification and, if applicable, a Federal Assistance Certification, to OFM's Accounting Division. By signing the certification(s), they certify that:

- They are responsible for establishing and maintaining effective internal controls over financial reporting.
- Their agency's system of internal controls complies with the requirements of Chapter 20.
- If applicable, they have established and maintained effective internal control over compliance for federal programs.

A summary description of any material internal control weakness(es) and a brief corrective action plan must be attached to the certification. Refer to Subsections 90.40.95 and 95.20.90.

20.20
Risk Assessment

20.20.10 What is risk assessment?

July 1, 2008

Risk assessment is an ongoing process that includes identifying risks to achieving agency objectives, analyzing the risks, and deciding how to respond to the risks.

In risk assessment, management considers the mix of potential events relevant to the agency and its activities in the context of the agency's public visibility, size, operational complexity, regulatory restraints, and other factors. Because of these variables, the same activity could have very different levels of risk for two different agencies.

20.20.20 How does an agency identify risk?

July 1, 2008

Risk identification is the first step in risk assessment because risk cannot be measured, prioritized, and managed until it has been identified. Every agency faces a variety of risks, both expected and unexpected, from external and internal sources that must be identified.

External risks arise from activities outside the agency. These external risks may not be directly controllable by the agency or they may constrain the way in which the agency is permitted to take or address risk. Technological developments, changing public expectations, legislative directives, natural catastrophes and economic changes all have the potential for creating external risks in an agency.

Internal risks arise from activities inside the agency. Examples of internal risks include disruption of the central computer system or telephone system and turnover in a key managerial position.

The process of identifying risks should consider the following characteristics and attributes: type of risk, source of risk, areas the risk impacts, and level of ability to control the risk.

Risk identification can often be integrated into the planning activities that occur at various levels within the agency. Some risks may be apparent at the agency level, whereas others may be a factor only within a certain function or process. Risks at all levels should be identified and aggregated across the agency. The significant ones will become apparent during the risk analysis process.

Risks can also be identified through ongoing activities. The budget process, audits, and the strategic planning process provide opportunities for managers to conduct quantitative and qualitative reviews and to identify risks. More informal opportunities include senior management planning meetings, meetings with auditors, and everyday interaction with staff.

More important than the specific method used to identify risks is management's careful consideration of factors unique to the agency, including the following:

- An agency's past experience
- Staffing levels and quality
- Statutory framework
- The significance and complexity of activities in relation to the agency's mission

Tools related to risk identification and assessment are available online at: http://des.wa.gov/services/Risk/AboutRM/Pages/default.aspx.

20.20.30 How does an agency analyze and measure risk?

July 1, 2008

Once risks have been identified, they need to be analyzed. This analysis includes estimating the impact of a risk, measuring the likelihood it will occur, and considering how to respond to the risk.

20.20.30.a Analysis of the control environment

Analyzing risk begins with analyzing the control environment. The control environment is the foundation for all other components of internal control. Refer to Section 20.15.40.a for a discussion of the control environment.

20.20.30.b **Analysis of inherent risk**

Analyzing risk also includes analyzing the inherent risk. High inherent risk is not necessarily a reflection of management performance or lack of control; rather, high inherent risk points to areas that, due to the nature of their operations, require additional attention. For example, from a safeguarding of assets perspective, activities involving the handling of cash are inherently more risky than activities involving the handling of sand and gravel. However, from a financial reporting perspective, the measuring of cash is inherently less risky than measuring sand and gravel.

20.20.30.c **Other factors that influence risk**

Other factors may influence risk measurement. These factors can be grouped into broad categories such as:

- Financial
- Operational
- Human capital
- Legal
- Technology
- Security
- Political
- Environmental
- Ethics
- Compliance.

The degree to which these factors influence a specific agency or function will vary depending on the agency's objectives, the nature of its operations and its control environment.

20.20.30.d **Measuring risk**

A visual matrix can be useful in measuring risk. For each event, determine the likelihood that it will occur and the impact on the agency if it does occur.

Likelihood = the possibility that a given event will occur.
Impact = the result or effect of an event.

	Low Impact	Medium Impact	High Impact
High Likelihood	2	3	3
Medium Likelihood	1	2	3
Low Likelihood	1	1	2

A general guideline for handling the different levels of risk is:

3 = High Risk – Mitigate or reduce the risks
2 = Medium Risk – Manage the risks
1 = Low Risk – Accept the risks

The specific method used to measure risk is not as important as ensuring that management gives careful consideration to factors unique to their agency and that the risk assessment process is well documented.

20.20.40 How does an agency respond to risk?

July 1, 2008

Risk response refers to the actions taken to deal with an identified risk. Possible responses fall into four categories: avoidance, reduction, transferring (sharing), and acceptance.

Avoidance: Risk avoidance involves eliminating the risk-producing activity entirely (or never beginning it). Although avoidance is highly effective, it is often impractical or undesirable, either because the agency is legally required to engage in the activity or because the activity is so beneficial to the public that it cannot be discontinued.

Reduction: Risk reduction strategies reduce the frequency or severity of the losses resulting from a risk, usually by changing operations. For example, routine mechanical maintenance could decrease the likelihood of a major computer hardware failure, while routine backups could decrease the impact of technology equipment failure on the agency's ability to provide services.

Transferring (sharing): Risk transfer strategies turn over or share the responsibility of performing a risky activity to another party. Examples of risk transfer are transferring the liability for losses to an insurance carrier, or outsourcing an activity to a contractor with the stipulation that the contractor assume the risk.

Acceptance: After all reasonable and cost-effective risk responses have been taken, an agency is left with risk acceptance.

When deciding how to respond to each risk, management should consider the following:

- The availability and effectiveness of control activities on likelihood and impact (significance).
- The availability of resources to implement control activities.
- The cost of the control activity in relation to its benefit.

Limitations on resources will define the way and level to which risks can be managed. Therefore, risk responses must be prioritized based on level of risk and the cost, availability, and effectiveness of control activities.

When considering the cost versus benefit and recognizing interrelationships among risks, management may pool agency responses to address similar risks across an agency's units or programs. Examples include mandating ethics training for all agency employees and centralizing functions, such as contract management and receipting.

20.25
Control Activities

20.25.10 What are control activities?

July 1, 2008

Control activities are the policies, procedures, techniques, and mechanisms that help ensure that management's response to reduce risks identified during the risk assessment process is carried out. In other words, control activities are **actions taken** to minimize risk. The need for a control activity is established in the risk assessment process. When the assessment identifies a significant risk to the achievement of an agency's objective, a corresponding control activity or activities is determined and implemented.

Control activities can be preventive or detective:

Preventive activities are designed to deter the occurrence of an undesirable event. The development of these controls involves predicting potential problems before they occur and implementing procedures to avoid them.

Detective activities are designed to identify undesirable events that do occur and alert management about what has happened. This enables management to take corrective action promptly.

Internal control activities can be incorporated into the following:

- Policies
- Procedures
- Sequences or combinations of procedures
- Assignments of duties, responsibilities, and authorities
- Physical arrangements or processes
- Combinations of the above.

20.25.20 How should control activities be incorporated into an agency's internal control plan?

July 1, 2008

Control activities occur at all levels and functions of the agency. Management should establish control activities that are effective and efficient. When designing and implementing control activities, management should aim to get the maximum benefit at the lowest possible cost. Consideration should be given to the following:

- The cost of the control activity should not exceed the cost that would be incurred by the agency if the undesirable event occurred.
- Management should build control activities into business processes and systems as the processes and systems are being designed.
- Adding control activities after the development of a process or system is generally more costly.
- The allocation of resources among control activities should be based on the likelihood and impact of the risk. Refer to Subsection 20.15.40.b.
- For any given risk, there may be multiple appropriate control activities that can be put into place, either individually or in combination with other control activities.
- Excessive use of controls could impede productivity.

20.25.30 Commonly used control activities

July 1, 2008

20.25.30.a The following are descriptions of some commonly used control activities. This is not an exhaustive listing of the alternatives available to management.

Authorization – Control activities in this category are designed to provide reasonable assurance that all transactions are within the limits set by policy or that exceptions to policy have been granted by the appropriate officials.

Review and approval – Control activities in this category are designed to provide reasonable assurance that transactions have been reviewed for accuracy and completeness by appropriate personnel.

Verification – Control activities in this category include a variety of computer and manual controls designed to provide reasonable assurance that all accounting information has been correctly captured.

Reconciliation – Control activities in this category are designed to provide reasonable assurance of the accuracy of financial records through the periodic comparison of source documents to data recorded in accounting information systems.

Physical security over assets – Control activities in this category are designed to provide reasonable assurance that assets are safeguarded and protected from loss or damage due to accident, natural disaster, negligence or intentional acts of fraud, theft or abuse.

Segregation of duties – Control activities in this category reduce the risk of error and fraud by requiring that more than one person is involved in completing a particular fiscal process.

Education, training and coaching – Control activities in this category reduce the risk of error and inefficiency in operations by ensuring that personnel have the proper education and training to perform their duties effectively. Education and training programs should be periodically reviewed and updated to conform to any changes in the agency environment or fiscal processing procedures.

Performance planning and evaluation – Control activities in this category establish key performance indicators for the agency that may be used to identify unexpected results or unusual trends in data which could indicate situations that require further investigation and/or corrective actions. Evaluations may be done at multiple levels within the agency, as appropriate: the agency as a whole; major initiatives; specific functions; or specific activities.

Performance reviews may focus on compliance, financial or operational issues. For example, financial reviews should be made of actual performance versus budgets, forecasts and performance in prior periods.

20.25.30.b Although control activity procedures are not intended to increase staffing levels, acceptable procedures are to be established and followed which may require changes in existing workloads and/or additional staff position(s).

However, a periodic thorough internal review of control activities may identify policies and procedures that are no longer required. It is recognized that some small to medium size operations may not be able to institute internal control procedures on the same level as larger, more complex agencies. In those cases where staffing may prohibit or restrict the appropriate segregation of duties, management must either have more active oversight of operations or utilize personnel from other units to the extent possible as compensating controls.

20.25.40 What are some limitations of control activities?

July 1, 2008

Control activities, no matter how well designed and executed, can provide only *reasonable assurance* regarding achievement of objectives. The likelihood of achievement is affected by limitations inherent in all control systems. These limitations include the following:

Judgment – The effectiveness of controls will be limited by the fact that decisions must be made with human judgment in the time available, based on information at hand and under the pressures to conduct business.

Breakdowns – Even if control activities are well designed, they can break down. Personnel may misunderstand instructions or simply make mistakes. Errors may also stem from new technology and the complexity of computerized information systems.

Management override – Even in an effectively controlled agency, high-level personnel may be able to override prescribed policies or procedures for personal gain or advantage. This should not be confused with management intervention, which represents management actions to depart from prescribed policies or procedures for legitimate purposes.

Collusion – Collusion between two or more individuals can result in control failures. Individuals acting collectively often can alter financial data or other management information in a manner that cannot be identified by the control system.

Costs versus benefit – In determining whether a particular control activity should be established, the cost of establishing the control must be considered along with the risk of failure and the potential impact. Excessive control is costly and counterproductive. Too little control presents undue risk. Agencies should make a conscious effort to strike an appropriate balance.

Resource limitations – Every agency must prioritize control activities because resources are not available to put every control activity into practice.

20.25.50 What internal control documentation is required?

July 1, 2008

20.25.50.a Documentation involves preserving evidence that substantiates a decision, event, transaction or system. Documentation should be complete, accurate and clearly written. It should be recorded timely and in a format that can be used efficiently.

At a minimum, documentation should be retained of the following:

- Key policies, procedures and processes.
- The annual assurance required in Subsection 20.15.50.a.

20.25.50.b Agencies should strive to develop documentation of its processes that includes:

- The control objective as related to a desired goal or condition.
- The flow of information and documents through the process or function.
- The control activities in place over the function.

20.25.50.c Documentation should be considered in making decisions about the internal controls in place over a specific process. The documentation should be sufficient to allow the agency to:

- Conclude as to the overall soundness of the internal controls.
- Be aware of the existence of internal control weaknesses, if any.
- Formulate the agency's plan of action for addressing internal control weaknesses and improving the internal controls where necessary.

20.40
Internal Auditing Policies

20.40.10 Why an internal audit function?

May 1, 1999

An internal audit function aids management by improving the quality of the control environment (refer to Subsection 20.15.40.a). These internal auditing policies should provide agency directors, internal control officers, internal auditors, and other agency staff with a background and approach toward the establishment, as appropriate, of an effective internal audit function.

20.40.20 What is internal auditing?

May 1, 1999

Internal auditing is an independent appraisal activity established within an agency for the review of operations as a service to management. The objective of internal auditing is to assist agency staff in the effective discharge of their responsibilities.

Internal auditors examine and evaluate the planning, organizing, and directing processes to determine whether reasonable assurance exists that the agency will achieve its goals and objectives. Such evaluations, in the aggregate, provide information to appraise the agency's overall control system and the quality in implementing assigned responsibilities. All systems, processes, operations, functions, and activities within an agency are subject to evaluations by internal auditors.

20.40.30 What are the differences between internal and external auditing?

May 1, 1999

Internal and external audits are different in the following respects:

20.40.30.a Internal auditors are employees or contractors providing internal auditing services in a specific governmental unit.

20.40.30.b External auditors are independent of the governmental unit. External auditors must be independent both in fact and in appearance. External auditors include:

- State Auditor.
- Government auditors who are members of a government other than the state of Washington.
- Independent public auditors who provide auditing services on a fee basis.
- Auditors of legislative organizations such as the Joint Legislative Audit and Review Committee.

20.40.30.c External audits do not alleviate the need for an internal audit function, or vice-versa. Internal and external audit functions are complementary. Agencies are not to rely solely on audits performed by outside parties to measure the appropriateness and degree of internal activities. Audits by external agencies, such as the Joint Legislative Audit and Review Committee and the Office of the State Auditor, are not intended to replace an ongoing management review of operations and may in fact be limited by law to the scope of the examination they may perform. This limit on the scope may preclude a comprehensive review of an agency's internal procedures.

20.40.40 What are the basic requirements of internal auditing?

May 1, 1999

20.40.40.a Agency heads or authorized designees are assigned the responsibility and authority for establishing and maintaining an internal audit program. An agency’s decision to employ an internal audit program should be made based on the results of a risk assessment and the priority of the need for an internal program is compared to the agency's other programmatic needs.

Internal audit programs implemented by agencies should follow auditing standards as appropriate for the agency or program (i.e. Generally Accepted Government Audit Standards or Institute of Internal Auditor Standards).

20.40.40.b Internal auditing is to:

1. Review operations or programs to ascertain whether results are consistent with established goals and objectives and whether the operations or programs are managed according to plan.

2. Review the management control system designed to ensure compliance with those policies, plans, procedures, laws, regulations, and contracts that could have a significant impact on operations. Also report whether the management control system is working as designed.

3. Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.

4. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.

5. Appraise the economy and efficiency with which resources are employed.

6. Isolate problem areas and provide a means for corrective action before the problem affects operational efficiency.

7. Promote open communications and establish a positive relationship among the internal auditor, external auditor, agency staff, management, and audit committee and authority/board/committee/commission members as applicable.

20.40.40.c The internal audit function is an integral part of the agency and derives its authority from senior management. It serves to promote objective, comprehensive review coverage and to assure the consideration of audit recommendations.

To accomplish this, the internal audit function should be responsible to an individual in the agency with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of audit reports, and appropriate action on audit recommendations. Internal auditors should also be independent of the activities they audit by having no direct or indirect authority or responsibility for the programs or operations they audit. Generally, reports and associated audit findings, recommendations, and analysis are directed to the agency head, or chief executive officer.

20.40.40.d Internal audits may be performed during or after a fiscal period. In either case, an audit is not part of any control activity, however it serves as an important component of the management control system.

The activities of an internal audit, whether performed during or after a fiscal period, may include:

- Consultation and education sessions to familiarize agency staff with control activity responsibilities,
- Assisting agency staff in preparing for new processes or requirements,
- A review of agency activities to serve as a basis for recommending improvements as necessary to aid in the accomplishment of agency identified goals and objectives.

Chapter 25 - Payroll

25.10 About the Payroll Policies

25.10.10	Purpose of these policies	May 1, 1999
25.10.20	Authority for these policies	Jan. 1, 2012
25.10.30	Applicability	Jan. 1, 2012
25.10.40	Employee definitions	July 1, 2012

25.20 Payroll Accounting Requirements

25.20.10	Payroll revolving account and other accounts used for payroll activities	Jan. 1, 2012
25.20.20	Required payroll records and reports	June 1, 2006
25.20.30	Agency required payroll certifications	June 1, 2006
25.20.40	Payment and reconciliation of deductions and employer's costs	July 1, 2011
25.20.50	Employee transfers between agencies	Jan. 1, 2012

25.30 Wage Computations

25.30.10	Pay periods	Jan. 1, 2016
25.30.20	Paydates	Jan. 1, 2016
25.30.30	Pay period, workdays, and rate computations	July 1, 2013
25.30.40	Taxable fringe benefits	July 1, 2015
25.30.50	Compensatory time – Cash-out payments	July 1, 2012
25.30.60	Other compensation	Mar. 14, 2016
25.30.70	Settlement payments	Oct. 1, 2011

25.40 Leave

25.40.10	Shared leave	June 9, 2016
25.40.12	Uniformed service shared leave pool	Jan. 1, 2012
25.40.15	Sick leave pools	May 20, 2010
25.40.20	Vacation leave buyout at termination	July 1, 2013
25.40.30	Accrued sick leave buyout	July. 1, 2013
25.40.40	Workers' compensation time loss payments	Oct 1, 2013
25.40.50	Recognition leave	Jan. 1, 2009

25.50 Payroll Deductions and Reductions

25.50.10	Introduction	May 1, 1999
25.50.20	Mandatory (standard) deductions/reductions	June 1, 2016
25.50.30	Voluntary deductions/reductions	July 28, 2013

25.60 Garnishments and Wage Assignments

25.60.10	Garnishments and levies	June 7, 2012
25.60.20	Child support	June 7, 2012
25.60.30	Wage assignments	Mar. 1, 2010
25.60.40	Other debt collection procedures	Oct 1, 2013
25.60.50	Worksheets for answers to writs of garnishment	June 7, 2012

25.70 Payment Methods

25.70.10	Employee payment options	June 7, 2012
25.70.20	Direct deposit of employee's earnings	July 1, 2011
25.70.25	Payroll cards for employee's earnings	July 1, 2011
25.70.30	Amounts due to deceased employees	Jan. 1, 2017

25.80 Salary Overpayment Recoveries

25.80.10	Definitions	July 1, 2012
25.80.15	Recovery methods	July 1, 2007
25.80.20	Preliminary overpayment procedures – represented employees	July 1, 2007
25.80.25	Recouping an overpayment through a payroll deduction – represented employees	July 1, 2007
25.80.30	Preliminary overpayment procedures – non-represented employees	July 1, 2007
25.80.40	Use of collection agencies to recoup a wage overpayment – non-represented employees	July 1, 2007
25.80.50	Overpayment recoveries – involuntary deduction process – non-represented employees	July 1, 2007
25.80.55	Recouping an overpayment through a payroll deduction – non-represented employees	July 1, 2007
25.80.60	Recouping an overpayment through a lawsuit – non-represented employees	July 1, 2007
25.80.70	Employee transfers between state agencies – represented and non-represented employees	July 1, 2007
25.80.80	Employee termination from state with balance owing – represented and non-represented employees	July 1, 2007
25.80.90	Interest on past due salary overpayment receivables – represented and non-represented employees	July 1, 2007
25.80.95	Agency internal control system to prevent overpayments – represented and non-represented employees	July 1, 2007

This page intentionally left blank.

25.10
About the Payroll Policies

25.10.10 Purpose of these policies

May 1, 1999

These payroll accounting policies and procedures serve as a basis for preparing, processing, and recording payrolls.

25.10.20 Authority for these policies

January 1, 2012

The Office of Financial Management (OFM) is responsible for establishing the necessary systems, policies, and procedures for payroll preparation and accounting (Chapter 42.16 RCW). Additionally, the provisions of Title 357 WAC and collective bargaining agreements administered by OFM State Human Resources supplement these instructions.

25.10.30 Applicability

January 1, 2012

This part applies to all agencies of the state of Washington unless otherwise exempted by statute or collective bargaining agreements and to all their payroll processing and payment systems used to pay employees' salaries, wages, and benefits. A variety of payroll systems are used by state agencies to pay their employees:

25.10.30.a General government agencies use a centralized payroll system maintained by Consolidated Technology Services.

25.10.30.b The community and technical colleges use the Payroll Personnel Management System maintained by the State Board for Community and Technical Colleges, Information Technology Division.

25.10.30.c Each of the remaining universities uses its own payroll system.

25.10.40 Employee definitions

July 1, 2012

25.10.40.a State Employee

Generally, an individual is an employee when the employer has the legal right to direct when, where, and how the work is done. Section 75.70 of this manual provides a more detailed definition of Salaries and Wages (Object A). There is also information in Section 75.70 (Object C) covering those individuals paid by the state who are not employees.

Several definitions of "state employee" exist in statute for different purposes. However, the Office of Financial Management has historically used the following general definition:

A "state employee" means any individual who is appointed by an agency head or designee and serves under the supervision and authority of any agency carrying out the ongoing business of the agency, unless designated otherwise in statute.

For employment tax purposes, each federal and state agency that regulates employment has its own definition of "employee" based on what taxes that agency levies or collects. For example, the IRS collects federal income, Old Age and Survivors Insurance (OASI), and Medicare taxes. The Department of Labor and Industries, on the other hand, collects moneys for the worker's compensation program. An individual can be an employee by one agency's definition, but not by another's definition.

The following federal and state agencies publish regulations or WACs that define an "employee" from their perspective:

- The Internal Revenue Service (Revenue Ruling 87-41 and Publication 15 (Circular E)).
- The Washington State Department of Labor and Industries (Chapter 296 WAC).
- The Washington State Department of Employment Security (Chapter 192 WAC and the federal/state 218 agreement).
- The Washington State Department of Revenue (Chapter 458 WAC).

If you have questions about whether a specific tax applies, contact the appropriate agency and/or your agency's assistant attorney general. Also refer to applicable state statutes.

25.10.40.b **"Full Time Equivalent" (FTE)**

The term "full time equivalent" (FTE) is a budgeting term used to measure one full calendar year of paid employment, or the equivalent of 2,088 hours (the number of average available work hours in a year). A staff month is equivalent to 174 hours (the average available work hours in a month).

The hours used in FTE calculations are for hours worked by state employees. While the employing agency must always pay appropriate federal and state employment taxes, state statutes may exempt certain groups from the "state employee" definition for FTE computation purposes. The following displays the various types of payroll transactions and the related requirements for FTE reporting:

Payroll Transaction	Sub-object Coding	Required FTE Recognition	Additional Comments
Regular time worked	Object A series – AA – AR as appropriate	Yes	
Regular time worked pay cancellations	Object A series – AA-AR as appropriate	Yes, reduce FTEs by # of canceled pay hours	Record if same fiscal period still open where original pay was issued
Vacation leave buyout at termination	AT	Yes	Calculation on # of vacation leave hours bought out
Boards and Commissions compensation	AE	Yes	Each "day" of pay is considered = to 8 hours
Call-back (WAC 357-28-185 or collective bargaining agreements)	AU	Yes	2 hours per incident per WAC 357-28-185 or as allowed by collective bargaining agreements
Compensatory time payouts	AU	Yes	# of OT hours (actual time worked)
Overtime	AU	Yes	# of OT hours (actual time worked)
Sick leave buyouts	AS	Yes	# of hours bought out
Standby payments	HRMS Users: Code to Sub-object AA, Sub-subobject SW03 Non-HRMS Users: Code in Object A series where time worked	No	HRMS = Human Resources Management System AA SW03 = State Classified - Standby
State internship program* (Includes undergraduate and executive fellowship programs)	Code in Object A series where time worked	Yes, but not counted as budgeted FTEs	Use Program 690
State/federal work study program*	AL	Yes, but not counted as budgeted FTEs	Use Program 690
Special employment compensation situations	NW OFM approval required to use	No	Refer to Subsection 75.70.20 (NW) for approved programs

***Note:** Program 690 is established for the purpose of recording FTEs related to the state internship and state/federal work study programs. Expenditures related to these programs (wages, employee benefits, and FTEs) are to be charged to Program 690, "Non Budgeted FTEs," in the proper objects of expenditure. State/federal work study payments from the Student Achievement Council are to be coded as interagency reimbursements to sub-object SA, by the receiving agency in Program 690. Payments for the state internship program as well as the agency's share of salaries and benefits related to the state/federal work study program are to be transferred from Program 690 to the agency's appropriate budgeted program(s) using intra-agency reimbursement sub-object TA. **Total expenditures for Program 690 should be zero.** FTEs are to remain in Program 690 as originally expended and are not counted towards an agency's budgeted FTEs in the state's financial system.

25.20
Payroll Accounting Requirements

25.20.10 Payroll revolving account and other accounts used for payroll activities

January 1, 2012

Agencies use various systems to process payroll activities.

25.20.10.a **Human Resource Management System**

The State Payroll Revolving Account, Account 035, is used for payroll disbursements by agencies using the Human Resource Management System (HRMS) as maintained by Consolidated Technology Services.

The following procedures are used for transfers and deposits of money to Account 035:

1. **Treasury/Treasury Trust Accounts**

- Agencies authenticate payroll data in the HRMS system and certify payroll registers for dollar amounts.
- CTS provides journal vouchers and warrant registers indicating the accounts properly chargeable with the payroll expenditures/expenses. CTS then certifies these amounts to the Office of the State Treasurer (OST).
- OST transfers money from the appropriate agency treasury or treasury trust accounts to Account 035 for payroll disbursements chargeable to those accounts.

2. **Local Accounts**

- Agencies paying employees chargeable to local accounts must use the local account expenditure coding in HRMS.
- Agencies authenticate payroll data in the HRMS system and certify payroll registers for dollar amounts.
- CTS provides journal vouchers and warrant registers indicating the accounts properly chargeable with the payroll expenditures/expenses. CTS then certifies these amounts to the OST.

- OST transfers money from the Suspense Account 01P to Account 035 for the total amount of payroll disbursements to be made from local accounts.
- Agencies deposit sufficient money in Account 01P to cover for payroll disbursements chargeable to local accounts.
- All transfers or deposits to Account 01P are due at least one day before the scheduled payroll disbursements.
- If agencies fail to transfer or deposit money on time, they will be required to deposit money in advance of payroll preparation.

25.20.10.b **Other Payroll Systems**

Accounts used by other payroll systems vary:

1. **Payroll Personnel Management System**

   Users of the Payroll Personnel Management System maintained by the State Board of Community and Technical Colleges use Account 790 for payroll disbursements.

2. **Other Higher Education Agencies with Unique Payroll Systems**

   Higher education agencies with their own payroll systems may utilize other accounts as either allowed by law or with approval by the Office of Financial Management.

25.20.10.c For treasury and treasury trust accounts, OST redeposits amounts for canceled warrants back to Account 035 where the original disbursements were made. Agencies must complete the disposition of these amounts. The returned amounts are either reissued from Account 035 or transferred back to the accounts originally charged with the payroll expenditures/expenses. Refer to Subsection 85.38.50 for procedures regarding warrants canceled by OST after being outstanding 180 days.

For local accounts, payroll checks that are returned should either be reissued or canceled as appropriate. Payroll checks are normally valid 180 days after issuance and should be canceled when they remain outstanding beyond such time.

For federal work study students, federal requirements may differ. Refer to the Code of Federal Regulations (CFR), Title 34, Section 668.164(h) at: www.ecfr.gov.

25.20.10.d **Reconciliations**

Agencies are to accurately record and reconcile all payroll activity, regardless of the account(s) used. Refer to Subsection 85.34.10 for accounting entries and reconciliation requirements.

25.20.20 Required payroll records and reports

June 1, 2006

The following list shows the records required for payroll accounting. (Equivalent records by another name are acceptable alternatives.) Refer to state and internal agency policies for applicable record retention requirements. The general record retention schedule for state agencies can be found at: http://www.sos.wa.gov/archives/recordsmanagement/default.aspx.

IRS also has records and retention requirements. Refer to Publications 15 (Circular E, Employer's Tax Guide) and 15A (Employer's Supplemental Tax Guide) for the appropriate tax year on record keeping requirements.

NAME OR TYPE OF RECORD	PURPOSE OF RECORD	CONTENTS OF RECORD
PAYROLL REGISTER **(HRMS: Payroll Journal)**	A record produced each pay period showing all employees paid.	• Warrant or ACH (automated clearing house) number • Employee Names • Detail of Earnings • Deductions/Allowances/ Reimbursements • Net Pay
WARRANT REGISTER **(HRMS: Warrant/ACH Register Summary)**	A listing of employees and other payroll costs paid by warrant.	• Warrant number • Employee names • Vendor names • Net pay or vendor amount • Account Charged
DIRECT DEPOSIT RECORD (ACH REGISTER) **(HRMS: Warrant/ACH Register & Summary)**	A listing of employees and other payroll costs paid by direct deposit.	• ACH number/banking institution • Employee names • Vendor names • Net pay or vendor amount • Account Charged

NAME OR TYPE OF RECORD	PURPOSE OF RECORD	CONTENTS OF RECORD
REGISTERS INDICATING EMPLOYEE DEDUCTIONS AND EMPLOYER'S SHARE OF TAXES, INSURANCE, AND RETIREMENT **(HRMS: Accrued and Mandatory Payroll Deduction Report)**	Detailed records produced for each pay period for each employee deduction and state share cost.	• Federal Income tax (FIT) • OASI, Medicare, and Industrial Insurance • Retirement • Garnishments and other legally required deductions • Other Deductions • Employer portion of taxes, insurance, and retirement
CALENDAR YEAR-TO-DATE WAGE AND EMPLOYMENT TAX RECORDS TO SUPPORT FEDERAL REPORTING **(HRMS: Employee Year to Date (YTD) Payroll Register)**	Detailed record produced for each calendar year which includes: Current month, quarterly, and cumulative year-to-date data for filing quarterly Forms 941/941-X and annual FormsW-2/W-2c.	• Gross pay and reductions to gross pay • Gross pay subject to Federal Income Tax (FIT), OASI, and Medicare • Employee FIT, OASI, and Medicare taxes withheld • Employer OASI and Medicare taxes • Taxable Fringe Benefits
RETIREMENT WORKLISTS AND OTHER TRANSMITTAL ADVICES **(HRMS: Use DRS WBET System)**	Listings and advices to report detailed information on eligible employees to retirement systems.	• Employees eligible for each retirement plan • Employee retirement deductions • Employer contributions • Other service credit detail
DISTRIBUTION OF PAYROLL AND RELATED COSTS **(HRMS: Distribution of Payroll and Related Costs)**	A listing of each employee by funding source(s).	• Payroll and related costs distributed to one or more funding sources
DEDUCTION AUTHORIZATIONS	*Employee authorized* documents authorizing deductions or reductions from gross pay.	• W-4 showing the number of an employee's deductions for FIT • All other voluntary deductions requiring the employee's signature
LEAVE RECORDS **(HRMS: Attendance System Change Report)**	A record of employee leave earned, taken, and balances.	• By employee • By leave type • Cumulative leave balance data

25.20.30 Agency required payroll certifications

June 1, 2006

25.20.30.a Certification Requirements

RCW 41.06.270 specifies two conditions an agency must meet before paying an employee. The agency head (or authorized designee) must certify that the payroll meets these conditions using the following language:

> "I hereby certify that to the best of my knowledge amounts listed in this payroll are true and correct charges and that employees holding a position covered by Chapter 41.06 RCW or other applicable employment contract, have been employed in accordance with the rules, regulations, and orders issued thereunder."
>
> **BY**_____ _____
>
> **(NAME)** **(TITLE)** **(DATE)**

As an alternative, in instances where an agency is using the Human Resource Management System and the payroll includes a mid-period transfer and charges belonging to another agency, the following language may be used:

> "I hereby certify that to the best of my knowledge amounts listed in this payroll, associated with my agency, are true and correct charges and that employees holding a position covered by Chapter 41.06 RCW or other applicable employment contract, have been employed in accordance with the rules, regulations, and orders issued thereunder."
>
> **BY**_____ _____
>
> **(NAME)** **(TITLE)** **(DATE)**

25.20.30.b Agency Required Records to Support Payroll Certification

1. Agency records include the certification signed by the agency head (or authorized designee):

   - Directly on the payroll register, or
   - On a separate document if the payroll register is on microfiche.

2. A copy of all documents that reflect personnel actions for:

   - Appointment, transfer, promotion, demotion, and salary changes.
   - Any other temporary or permanent changes in employee status.

25.20.40 Payment and reconciliation of deductions and employer's costs

July 1, 2011

25.20.40.a Agencies are to design payroll procedures to produce accurate payment of payroll deductions and employer costs to vendors on a timely basis.

25.20.40.b Pay other state agencies by journal voucher or interagency payment whenever possible.

25.20.40.c Timely reconciliations are recommended for:

- **Year-to-date (YTD) data** to ensure information used for preparing federal employment tax payments and reports are correct. Avoid incurring IRS interest and penalty assessments by reconciling YTD wage and tax data to federal deposits, quarterly Forms 941/941-X, and annual Forms W-2/W-2c. Refer to IRS Publication 15 for information regarding resolution of discrepancies and suggestions to reduce errors.

- **Health insurance data** to ensure that the premiums collected from employees and amounts calculated as employer contributions are proper.

25.20.50 Employee transfers between agencies

January 1, 2012

When an employee accepts an appointment with a different employer, WAC 357-22-025 requires the most recent former employer to provide employee information to the new employer in a transmittal package developed by Office of Financial Management (OFM) State Human Resources.

Both the terminating and new employing state agencies should make a concerted effort to ensure the employee doesn’t suffer a lapse in wage when there is an immediate continuing employment transfer.

The terminating agency must transfer at a minimum, the following documents to the new agency’s designated office promptly:

25.20.50.a **Agency Termination Documentation**

The original document that terminates the employee from the transferring agency.

25.20.50.b **Employee Deduction Authorizations**

- Employee written requests authorizing both reductions from gross pay and other deductions.

- All original (past and current) medical, dental, life, long term disability, and any other insurance enrollment forms.

25.20.50.c **Leave Balances**

Employee leave records for vacation, personal holiday, sick, shared leave, and any other leave balances.

25.20.50.d **Interagency Transmittals**

Use the following OFM forms (or equivalent) to transmit employee records between state agencies:

- 12-011 Employee Payroll Records Transmittal
- 12-048 Employee Personnel Records Transmittal

25.30
Wage Computations

25.30.10 Pay periods
January 1, 2016

RCW 42.16.010 establishes pay periods for paying all state officers and employees.

Except as otherwise provided in RCW 42.16.010(5), pay periods are semi-monthly. The first pay period is from the first to the fifteenth of the month and the second pay period is from the sixteenth through the last calendar day of the month.

In accordance with RCW 42.16.010(5), institutions of higher education as defined in RCW 28B.10.016 may pay their employees biweekly, in pay periods consisting of two consecutive seven calendar-day weeks.

25.30.20 Paydates
January 1, 2016

25.30.20.a **Semi-monthly paydates**

Agencies shall pay the salaries of all state officers and employees on the semi-monthly paydates identified in WAC 82-50-021, except in instances where it would conflict with RCW 42.16.010(3), contractual rights or as otherwise approved by the Office of Financial Management (OFM).

For information on specific paydates and other key dates, as well as information on the Department of Treasury "One Day" Deposit Rules for payrolls over $100,000, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

Exceptions

In accordance with RCW 42.16.010(3), when a national or state guard member is called to participate in state active duty, the paydate for military department state active duty pay shall be no more than seven days following completion of duty or the end of the pay period, whichever is first. When the seventh day falls on Sunday, the paydate shall not be later than the following Monday.

In accordance with WAC 82-50-031, OFM may grant exceptions to the paydates established in 82-50-021 upon written request of an agency. However, the semi-monthly pay periods established by RCW 42.16.010(1) must remain in effect. WAC 82-50-32 addresses terminations of exceptions granted under WAC 82-50-031.

25.30.20.b **Bi-weekly paydates**

In accordance with RCW 42.16.010(5), for institutions of higher education adopting bi-weekly pay periods, actual paydates are lagged seven calendar days after the end of the pay period, except when the paydate falls on a holiday. In this case, the paydate shall not be later than the following Monday.

Each institution adopting a biweekly pay schedule must establish, publish, and notify the director of OFM of the official paydates six months before the beginning of each subsequent calendar year.

Note: As no institution of higher education has adopted bi-weekly paydates, Chapter 25 is written in terms of semi-monthly paydates.

25.30.20.c **RCW 42.16.010 permits agencies to pay overtime, penalty pay, and special pay on the next paydate if:**

1. The employee fails to make an accurate and timely report of the information needed to determine the payment; or,

2. The employer lacks reasonable opportunity to verify the claim.

25.30.30 Pay period, workdays, and rate computations

January 1, 2016

25.30.30.a **Full-Time Employees**

When employees work a full semi-monthly pay period (RCW 42.16.010 and WAC 82-50-021), their pay rate shall be one-half of the actual monthly gross pay. Time worked, for gross pay computations, includes paid leave and holidays.

Exceptions: Gross pay computations for full-time employees change when they work less than a full semi-monthly pay period, are on a leave-without-pay status, or their pay rate changes during the pay period.

25.30.30.a.(1) **Compute gross pay by:**

- Calculating the ratio of time worked in days or hours to the scheduled time available for work in days or hours for that pay period.
- Scheduled time available for work includes paid leave and holidays.
- In cases of promotion or demotion, two calculations are done--one for each salary level. Both calculations are based on the percentage of the days or hours worked to total days or hours available for the pay period at each salary level.
- In addition to basic salary, gross pay includes remuneration for all other compensable services and *available to employees on designated paydates* (RCW 42.16.010). Refer to Subsection 25.30.20a for a paydate exception provided by that statute. Other compensable services include overtime, assignment pay, call-back, standby, compensatory time, shift differential premium, performance pay, recognition payments, and other special pay provisions as provided for by law, civil service rules, agency policy or rule, or contract.

  Note: In the 2011-2013 biennium only, refer to WAC Chapter 357-28 or collective bargaining agreements (CBAs) to determine the appropriate base salary rate for paying overtime or cashing out compensatory time.

25.30.30.a.(2) **Use the following formula to compute pay for fractional semi-monthly pay periods:**

$$\frac{\text{Actual time (hours/days) worked in semi-monthly pay period}}{\text{Scheduled work time(hours/days) available in semi-monthly pay period}} \times \frac{\text{Monthly salary rate}}{2} = \text{Gross pay}$$

Example: If an employee with a monthly rate of $2,400 works 24 hours in a pay period containing 88 scheduled working hours, the pay would be computed as follows:

$$\frac{24}{88} \times \frac{\$2{,}400}{2} = \$327.27$$

In the case of a promotion from $2,400 to $2,800 a month, effective on the third work day in the pay period, two calculations are required using the appropriate actual hours and pay rates:

First Computation:

$$\frac{16}{88} \times \frac{\$2{,}400}{2} = \underline{\$218.18} \text{ (Payment for first two days of pay period)}$$

Second Computation:

$$\frac{72}{88} \times \frac{\$2{,}800}{2} = \underline{\$1{,}145.45} \text{ (Payment for remaining days in pay period)}$$

Total Gross:

$$\$218.18 + \$1{,}145.45 = \underline{\$1{,}363.63} \text{ (Total payment for pay period)}$$

25.30.30.a.(3) **Colleges and Universities**

With written approval by the Office of Financial Management (OFM), colleges and universities may use the employee's annualized straight time hourly pay rate for calculating leave-without-pay salary reductions. The annualized hourly rate is determined by dividing the monthly rate by 174, the average number of working hours during a month. If an institution of higher education historically has used an average number of monthly working hours rate other than 174, written OFM approval is required to continue using the other rate.

25.30.30.a.(4) **State Elected Officials**

Use calendar days, including all holidays or workdays, when computing a partial pay period for elected state officials.

$$\frac{\text{Calendar days to pay in semi-monthly pay period}}{\text{Calendar days in semi-monthly pay period}} \times \frac{\text{Monthly salary rate}}{2} = \text{Gross pay}$$

25.30.30.b **Employees Paid on an Hourly Basis**

Compute employees' gross pay by multiplying the hours worked in the semi-monthly pay period times their hourly pay rate. The hourly rate includes shift premium and assignment pay. The gross pay computation includes paid leave, if eligible. Time worked, for gross pay computations, includes paid leave and holidays.

Actual hours worked	x	Hourly rate	=	Gross pay

Example:

25 hours worked	x	$10.00 hourly rate	=	$250.00

Holidays are paid proportionate to the amount of time in pay status during the month to that required for full-time employment, excluding all holiday hours, if eligible (WAC 357-31-015, 020, 025 or CBAs).

$$\frac{\text{Total month's actual hours worked*}}{\text{Total month's work hours available*}} \times 8 \times \text{Hourly rate} = \text{Gross holiday pay}$$

* The calculation includes eligible paid leave, but excludes holidays. The calculation does not include overtime, standby, callback, or any other penalty pay.

Example: During the month of May 20xx, an hourly employee worked 90 hours and took one day each of vacation and sick leave. There are 176 work hours available in May (including the Memorial Day holiday). The hourly rate is $20.00.

90 actual hours worked + 8 hours vacation leave taken + 8 hours sick leave taken = 106.0 hours. Total month's work hours available: 176 hours – 8 hours (holiday) = 168 hours.

Regular pay	106.0 hours x $20.00		$ 2,120.00
Holiday pay	106.0/168 hours x 8 hours x $20.00	+	100.95
Total pay	(Regular pay + holiday pay)	=	$ 2,220.95

25.30.30.c **Payments to Commissioners and Board Members**

Commissioners and board members are classified in five groups.

25.30.30.c.(1) **Members of a Class 1 Group**

These members are generally volunteers and do not receive any compensation (refer to RCW 43.03.220). Contact the Department of Labor and Industries regarding the appropriateness of medical aid coverage for these volunteers. Refer to RCW 51.12.035.

25.30.30.c.(2) **Members of a Class 2, 3, 4, or 5 Group**

Consider members of a Class 2, 3, 4, or 5 groups as state employees and process their compensation through the payroll system. (Refer to RCW 43.03.230 through 43.03.265 for group definitions). For purposes of FTE computation, *each day of pay is considered equal to eight hours.*

25.30.30.c.(3) **Compensation**

Class 2, 3, 4, or 5 group members qualify for compensation for each calendar day they attend official group meetings and/or perform statutory duties approved by their chairperson. Maximum daily rates are defined in RCW 43.03.230 through 43.03.265. A calendar day of compensation includes all meetings or work performed on that day, regardless of how many hours worked or meetings attended. Compensation may only be paid to a member if it is authorized under the law dealing with the specific group to which a member belongs or dealing in particular with members of the specific group.

25.30.30.c.(4) **Exception**

If a member is employed full-time by the federal government, any Washington State agency, or local governments and receives any compensation from such government for working that day, the member is ineligible for compensation as a board or commission member.

Administering agencies of the Boards or Commissions are to require a written statement from the public employers that no compensation for work was paid for the same days a board or commission paid the member.

25.30.30.c.(5) **Expenditure Object Coding**

These payments are coded to Subobject AE - State Special.

25.30.30.c.(6) **The following deductions apply to the compensation paid to Class 2, 3, 4, and 5 group members:**

- Federal Withholding Tax.
- Old Age and Survivors Insurance (OASI) and Medicare -- Deduct the employee's portion of OASI and Medicare contributions.
- Labor and Industries -- Labor and Industry programs cover all compensated members of Class 2, 3, 4, and 5 groups.

For information regarding the appropriateness of retirement contributions, contact the Department of Retirement Systems at (360) 664-7000 or toll free at 1-800-547-6657.

25.30.40 Taxable fringe benefits

July 1, 2015

Any property or service that an employee receives from an employer in place of or along with regular wages is a fringe benefit that may be subject to federal employment taxes. If taxable, these benefits are included in gross income and subject to federal income, OASI, and Medicare taxes.

Refer to IRS regulations for the appropriate calendar year regarding specific taxation, valuation, and reporting information. IRS Publication 15-B "Employer's Guide to Taxable Fringe Benefits" provides detailed information on several types of benefits and is available at: http://www.irs.gov/pub/irs-pdf/p15b.pdf.

Additionally, refer to IRS publication 5137 "Fringe Benefit Guide" at: http://www.irs.gov/pub/irs-pdf/p5137.pdf

Fringe benefits that are taxable under certain circumstances include, but are not limited to:

- Gift certificates
- Awards and prizes
- Personal use of agency provided vehicles, such as commuting between official residence and official workstation
- Clothing allowances
- Educational assistance
- Lodging
- Meals
- Moving expenses
- Unspent, unreturned travel advances

To determine which, if any, fringe benefits are included in earnable compensation for retirement purposes, contact the Department of Retirement Systems at (360) 664-7000 or toll free at 1-800-547-6657.

25.30.50 Compensatory time - Cash-out payments

July 1, 2012

25.30.50.a **General**

Overtime-eligible state employees may be compensated in cash or in compensatory time. The Fair Labor Standards Act (FLSA), administered by the U.S. Department of Labor, sets standards regarding overtime pay. Rules and collective bargaining agreements (CBAs) for overtime and compensatory time are written based on this Act. For non-represented employees, refer to WAC 357-28-255 through 285. For represented employees, refer to the applicable CBA. Agencies are advised to review rules and contracts for more complete information.

Cash compensation for overtime is subject to federal employment taxes (income, Medicare, and OASI) and state retirement.

Most compensation for compensatory time cash-out payments are subject to state retirement. In limited circumstances, cash compensation for compensatory time cash-out payments are not subject to state retirement. For more information, contact the Department of Retirement Systems at (360) 664-7000 or toll free at 1-800-547-6657.

25.30.50.b **Calculating rate for compensatory time cash-out payments**

Note: In the 2011-2013 biennium only, refer to WAC Chapter 357-28 or CBAs to determine the appropriate base salary rate for paying overtime or cashing out compensatory time.

1. Except for terminating employees as noted in (2) below, compensatory time cash-out payments shall be paid at the FLSA regular rate earned by the employee for the pay period the employee receives such payment.

   Example: Employee A is receiving a compensatory time cash-out provided under agency policy or collective bargaining agreement. The employee is continuing employment. Pay compensatory time at the employee's current FLSA regular rate.

2. Upon termination of employment, compensatory time cash-out payments shall be paid at the higher of:

   a. The FLSA regular rate in effect for the employee in the pay period the employee receives such payment (or the final pay period, whichever is earlier), **or**

   b. The average FLSA regular rate received by the employee during the last three years of employment. If the employee has been employed continuously for less than three years, use the period of time subsequent to the last permanent break in service. The average FLSA regular rate shall be calculated by summing total regular pay (excluding overtime premium pay) earned in the periods observed and dividing by total hours worked in the periods observed.

   Example: Employee B is terminating October 25 and is receiving final pay for all wages owed and leave accrued, including compensatory time. The employee's FLSA regular rate ($20.15/hour) in the current period is lower than the average FLSA regular rate over the past three years of employment ($21.00/hour). Pay compensatory time at $21.00/hour.

25.30.50.c **Recording compensatory time payable**

Agencies are to record a liability for accumulated compensatory time not cashed out by the end of the fiscal year. Refer to Subsection 85.72.65 for instructions on how to estimate and record the compensatory time payable in both governmental and proprietary/trust type accounts.

25.30.60 Other compensation

March 14, 2016

25.30.60.a Performance Recognition Pay

Under WAC 357-28-295, the State Human Resources Director within the Office of Financial Management may authorize additional pay to individuals or groups of employees on a lump sum basis to recognize outstanding accomplishments or the achievement of pre-defined work goals by individual employees or units.

Any additional pay granted under this section is a premium that is not part of base salary.

This provision is for non-represented employees only.

Performance pay is to be recorded using the sub object used for the associated work effort and is subject to federal employment taxes and retirement.

25.30.60.b Relocation Payments

If the employee receiving the relocation payment terminates or causes termination with the state within one year of the date of the appointment or transfer, that employee may be required to pay back the lump sum payment.

If the termination is a result of layoff, disability separation, or other good cause as determined by the agency head, the employee will not have to pay back the relocation payment.

Refer to WAC 357-28-310 through 320 or individual CBAs.

Relocation payments are subject to federal employment taxes and should be coded to sub-object BZ "Other Employee Benefits."

25.30.60.c **Recruitment and Retention Premiums**

An employer may adjust an employee's base salary within the salary range to address issues that are related to recruitment, retention or other business related reasons. Under certain conditions, an employer may authorize additional pay to support the recruitment or retention of the incumbent or candidate for a specific position. Refer to WAC 357-28-090 and 095.

Recruitment and retention premiums are coded to the sub-object used for the employee's normal salaries and wages.

25.30.70 Settlement payments

October 1, 2011

Sometimes an agency pays a settlement to a current or former employee that is attributable to wages. These settlements are negotiated through either the Department of Enterprise Services, Office of Risk Management or the Office of the Attorney General.

The person handling the settlement should conduct an analysis of the origin of the claim. If any portion is attributable to wages, that portion should be identified and processed through an agency's payroll system. Refer to Subsection 25.10.30.

If applicable, once the agency has approved the settlement, a request for reimbursement from the self insurance Liability Account (Account 547) should be forwarded by the agency to the Office of Risk Management.

For more information, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.40
Leave

25.40.10 Shared leave
June 9, 2016

25.40.10.a General guidelines

Per RCW 41.04.650 through 670, the state's shared leave program allows a state employee to come to the aid of another state employee who is likely to take leave without pay or terminate his or her employment because:

- The employee suffers from, or has a relative or household member suffering from, an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature;
- The employee has been called to service in the uniformed services;
- The employee is a victim of domestic violence, sexual assault or stalking, or
- A state of emergency has been declared anywhere within the United States by the Federal or any state government and the employee has needed skills to assist in responding to the emergency or its aftermath and is volunteering with a governmental agency or a nonprofit organization to provide humanitarian relief in the devastated area.

When taken, this leave is classified as Shared Leave and tracked separately over the state career of the recipient employee (donee).

WAC 357-31-380 through 455, or collective bargaining agreements (CBAs), establishes the definition and eligibility requirements for the state leave sharing program.

Within these rules, the head of each agency determines the agency's level of participation in the program. Agencies are strongly encouraged to establish policies that encompass these rules and that set internal procedures for managing the program.

25.40.10.b **Definitions**

Employee – Any employee entitled to accrue sick, vacation, or personal holiday leave and for whom an agency has maintained leave records.

Donor – The employee making the donation of leave.

Donee – The employee receiving the donation of leave (recipient).

Donated leave – The dollar value of the leave hours a donor donates through the Shared Leave Program.

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.

25.40.10.c **Shared leave program requirements and restrictions**

1. **Salaries and wages**

   Employees on shared leave continue to receive the same salary, wage, and employee benefits that they normally receive when using **accrued** leave. Refer to RCW 41.04.665(7).

2. **Shared leave requester**

   a) An agency shall require the employee requesting shared leave to submit a medical statement supporting the request. A licensed physician (or health care practitioner) should:

      - Verify the severity or extraordinary nature of the condition.
      - Determine the expected duration of the condition.

      The requirement for a medical statement may be waived in unusual circumstances where such a statement may not be available, such as a pandemic emergency.

      In order for the requirement to be waived, an agency must establish a policy that, at a minimum, addresses the nature of the unusual circumstances under which a medical statement is not required; the limits, if any, imposed by the agency on the amount of shared leave that may be granted without a medical statement; and the agency official with authority to approve shared leave granted without a medical statement.

b) An agency shall require an employee called to service in the uniformed services who is requesting shared leave to submit a copy of the military orders verifying the employee's required absence.

c) An agency shall require an employee who is a victim of domestic violence, sexual assault or stalking to submit supporting documentation. WAC 357-31- 405 provides a listing of acceptable types of documentation.

d) An agency shall require an employee volunteering his or her services to either a governmental agency or a nonprofit organization to assist in disaster relief efforts in response to a declared federal or state emergency or its aftermath to submit proof of acceptance of the employee's services by the government agency or nonprofit organization.

Refer to WAC 357-31-390 and 405, or CBAs for other acceptable uses and associated documentation requirements.

3. **Types and limitations on leave donations**

a) **Vacation leave**

Employees may donate vacation leave if this does not cause their vacation leave balance to fall below eighty hours after the transfer. For part-time employees, requirements for vacation leave balances are prorated. Additionally, certain CBAs specify that an employee may not donate excess vacation leave (hours in excess of 240) that the donor would not be able to take due to an approaching anniversary date. Prior to the donation, the donor's supervisor (or equivalent) determines how much of the excess leave the employee could use prior to the employee's anniversary date.

Because only approved usable excess leave can be donated, affected employees do not need a second approval to receive any remaining excess donated leave back should a reversion occur.

b) **Sick leave**

Employees may donate any amount of sick leave provided the donation does not cause their sick leave balance to fall below 176 hours after the transfer.

Note: RCW 41.04.665 allows employees of higher education institutions who do not accrue vacation leave but do accrue sick leave to donate sick leave. The donation cannot cause the employee's sick leave balance to fall below 22 days.

c) **Personal holiday**

An employee may donate all or part of a personal holiday. Any portion of the personal holiday that is not used shall be returned to the donating employee, and may be used by the donor if the returned donation occurs and is then used in the same calendar year that it was donated. For represented employees, check CBA for returns that cross calendar years.

4. **Limitations on receipt of shared leave**

a) **Maximum shared leave per person**

An employee may not receive more than 522 days of shared leave for the entire duration of state employment. For this purpose, eight hours shall constitute a day (RCW 49.28.010) unless otherwise required by statute, regulations, or employment contract.

An employer may authorize leave in excess of 522 days in extraordinary circumstances for an employee qualifying for shared leave because the employee is suffering from an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature.

b) **When shared leave can be used**

WAC 357-31-435 or CBAs require employees to use all compensatory time, recognition leave, personal holiday, and vacation leave that they have accrued before using shared leave.

Additionally, before using shared leave for:

- Medical purposes, employees must use all accrued sick leave.
- Service in the uniformed services, employees must use all paid military leave.

For work related illness or injury, the employee must diligently pursue and be found to be ineligible for benefits under Chapter 51.32 RCW to qualify for shared leave for medical purposes.

Note: Once an employee uses authorized shared leave, the employee shall not be required to repay to the agency the value of the leave used.

5. **Transfer of shared leave**

Shared leave can transfer:

- Within a state agency and account,
- Between accounts or agencies, or
- Between agencies, educational service districts, and school districts.

Transfer of leave requires approval from the head or designee of both the donor and donee agencies, educational service districts, or school districts. It is recommended that an agency's shared leave policies include approval procedures and identify authorized designees.

If a shared leave account is closed and an employee later has a need to use shared leave due to the same condition listed in the closed account, the agency head must approve a new shared leave request for the employee.

25.40.10.d **Computation of leave transferred**

In transferring leave from the donor to the donee, it is the donor's dollar value of the leave that transfers and purchases shared leave for the donee at the donee's salary rate.

Calculate the **dollar value** of donated leave using the donor's total current salary rate times the hours donated.

For the donee, divide the **dollar value** received by the donee's total current salary rate to determine the leave hours to record.

Definition of Formula Elements for Calculating Shared Leave:

Base salary rate = Current hourly rate OR $\frac{\text{Monthly rate}}{174 \text{ (or monthly hours)}}$

*Fringe benefits rate = 46% x Base salary rate

Total salary rate = Base salary rate + Fringe benefits rate

*Formula for deriving the fringe benefit rate is in Subsection 25.40.10.j.

Donor Formula for Shared Leave Transfer Calculation:

Dollar value of donated leave = Donated leave hours x Donor's total salary rate

Reduce the donor's leave balance by the number of hours donated.

Donee Formula for Shared Leave Received:

$$\text{Shared leave hours credited to donee} = \frac{\text{Dollar value of donated leave received}}{\text{Donee's total salary rate}}$$

Record the donee's shared leave balance for the calculated shared leave hours received.

25.40.10.e Recording donated leave transfer(s) in accounting and payroll systems

- Transfer the dollar value of donated leave using a Journal Voucher (A7) for transfers between treasury and/or treasury trust accounts.
- Use a warrant or a check for transfers between treasury/treasury trust accounts and local accounts, educational service districts, and school districts.
- Attach documentation to the JV or warrant or check, showing the name(s) of the employee(s) receiving the shared leave.
- Record the transfer in the appropriate accounting and payroll systems. **It is recommended agencies record the shared leave transactions, at a minimum, on a quarterly basis**. Refer to Subsection 85.34.20 for related accounting entries.

25.40.10.f **Shared leave records**

The agency head or designee must maintain the following shared leave information at a minimum:

- Number of leave requests received.
- Number of leave requests granted.
- Nature of requests.
- Name and agency of donors.
- Amount of leave transferred in or out.
- Value of leave transferred in or out.
- Date leave was taken for each occurrence**.**

Record donated leave as shared leave in agency leave records and maintain it separately from all other leave balances.

25.40.10.g **Unused shared leave**

1. Unused shared leave may not be returned until one of the following occurs:

    - The agency head receives from the affected employee a statement from the employee's doctor verifying that the illness or injury is resolved.

    - The employee is released to full-time employment, has not received additional medical treatment for his or her current condition or any other qualifying condition for at least six months, and the employee’s doctor has declined, in writing, the employee’s request for a statement indicating the employee’s condition has been resolved.

2. Upon reversion, the ***donee agency*** completes the following steps:

   - Determine the donee's shared leave hours remaining.
   - Calculate the dollar value using the *donee's original total salary rate* and return the dollars to the appropriate donor agency or account (if applicable). Refer to RCW 41.04.665(9). Any reversion *must* use the same total salary rate basis that was used to provide the shared leave hours to the donee. Otherwise, the dollar value per reverted hour returned to the donor agency or account will be more or less than received, depending on how a donee's current total salary rate may have changed. Refer to Subsection 85.34.20 for accounting entries, including the entries to return shared leave value within an account.
   - Reduce the donee's shared leave balance to zero. Also, restore the donor's applicable reverted leave hours if in the same agency.

<u>Formula for calculating the return of shared leave to the donor</u>:

Dollar value of reverting shared leave to *donor agency* and/or *account*	=	Shared leave hours remaining	x	Donee's o*riginal* total salary rate

Reduce the donee's available shared leave balance to zero and prepare transfer of the remaining dollar value of the leave back to the donor agency and/or account.

3. Upon reversion, the ***donor agency*** completes the following steps:

   - Receive the returned cash from another agency and/or account. If the donor was within the same agency and same account, then receive the dollar value only. Refer to Subsection 85.34.20.
   - Calculate the number of hours to restore to the donor using the *donor's current total salary rate*. In order to reflect the current cost of re-establishing leave hours, the donor's current salary rate is used.
   - Restore the calculated leave hours to the donor.

<u>Formula for converting the dollar value of returned leave to one donor</u>:

$$\text{Converting the dollar value of returned shared leave into } \textit{donor} \text{ hours} = \frac{\text{Dollar value of returned shared leave}}{\text{Donor's current total salary rate}}$$

Record the calculated hours returned to the donor's leave balance.

4. Calculating reverting shared leave hours from **multiple donors**

   Where more than one employee donated leave to an individual, calculate reverting leave on a prorated basis using either the shared leave hours provided or dollars received by the donee. The following example uses dollars received.

   This is a three-step process:

Step 1: Calculate this percentage for each donor:

$$\text{Percentage of residual shared leave returned to donor} = \frac{\text{Shared leave dollars received from Employee 1}}{\text{Total dollar value of shared leave received}}$$

Step 2: Calculate the dollar value of shared leave reverting back to the donor:

$$\text{Dollar value of shared leave reverting back to donors} = \text{\% calculated in Step 1} \times \text{Remaining shared leave hours} \times \text{Donee's original total salary rate}$$

Step 3: Calculate leave hours returned to the donor:

$$\text{Converting the dollar value of returned shared leave into } \textit{donor} \text{ hours} = \frac{\text{Dollar value of reverting shared leave from Step 2}}{\text{Donor's current total salary rate}}$$

Note: A special reversion situation occurs when a donee depletes the initial shared leave hours received, and then receives additional donations. In this case, should there be a reversion of the additional leave received; do not include in the reversion proration *the **donors(s)** and the hours of the initial donation*. In effect, batches of donated shared leave are used on a first-in, first-out basis and reversion is limited to the remaining batch. Each batch (pool) is considered closed at the time its available shared leave balance reaches zero.

To comply with the cost containment provisions of RCW 41.04.670(3), accounting batches may be restricted to record only the amount of shared leave actually needed by donees on a payroll period by payroll period basis from a list of potential donors maintained on a first-in, first-out basis.

Agencies should communicate to potential donors the agency's shared leave policy in regard to how shared leave donations will be applied.

25.40.10.h Donation and reversion calculation examples

For a sample donation and reversion case, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.40.10.i Direct questions on shared leave calculations to OFM

Direct any questions arising due to the transfer of funds or the adjustment of appropriation authority with regard to the Shared Leave Program to the agency's assigned OFM financial consultant.

25.40.10.j Formula for fringe benefit rate

Formula for Deriving the Fringe Benefit Rate:

Benefits (Object B) as a percentage of salaries and wages		32.2%
Accrued holidays, sick leave, vacation leave	+	13.5% **
	Total	45.7% (Rounded to 46%)

**The additional 13.5% provides for holidays, sick leave, and vacation leave that an employee could potentially earn while on shared leave. The following formula is the method OFM has historically used to derive the percentage.

Holidays		11 days a year
Sick leave		12 days a year
Vacation leave		12 days a year
Total		35 days a year
	x	8 hours per day
Total		280 hours

280 ÷ 2,088 = 13.41% (rounded to 13.5%)

25.40.12 Uniformed service shared leave pool

January 1, 2012

Per RCW 41.04.685, the uniformed service shared leave pool allows general government and higher education employees to voluntarily donate leave to be used by any eligible employee who has been called to service in the uniform services. WAC 357-31-640 through 725 establishes the rules for the uniformed service shared leave pool.

The Military Department, in consultation with Office of Financial Management (OFM) State Human Resources administers the uniformed service shared leave pool. Procedures can be found on OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

In order to participate in the uniformed service shared leave pool, employers must develop a written policy which, at a minimum, addresses:

1. Eligibility requirements for use of the uniformed service shared leave pool.
2. Donation of leave.
3. Use of pool leave.
4. Abuse of the leave pool.

An employer may limit the amount of leave an employee may donate to or receive from the pool only if it would result in the violation of rule or statute.

Leave that is donated or received is calculated consistent with the Washington State Leave Sharing Program. Refer to Subsection 25.40.10. However, shared leave received under the uniformed service shared leave pool is not included in the 522 day total specified in RCW 41.04.665.

25.40.15 Sick leave pools

May 20, 2010

Per RCW 41.04.680, general government state employees may pool sick leave within an agency to be used by participating employees who have a personal illness, accident, or injury. WAC 357-31-570 through 635 establishes the rules for creating and administering a sick leave pool.

Prior to creating a sick leave pool, an agency must appoint an administrator and develop a written policy. For purposes of calculating maximum sick leave that may be donated or received by any one employee, pooled sick leave is counted and converted in the same manner as sick leave under the Washington state Leave Sharing Program.

A participating employee may not withdraw more than 522 days from a sick leave pool for the entire duration of state employment. The 522 days includes any days an employee has received under the Washington State Leave Sharing Program. Refer to Subsection 25.40.10.

This provision is for non-represented employees only.

25.40.20 Vacation leave buyout at termination

July 1, 2013

RCW 43.01.041 establishes the authority for vacation leave buyout upon termination of employment. WAC 357-31-225 or collective bargaining agreements (CBAs) provide additional rules and guidance.

Compute termination leave payments by multiplying an average hourly rate times the number of vacation leave hours accumulated. Determine the average hourly rate by multiplying .0063* times the monthly salary rate. The fraction of .0063 is based upon the number of work hours in an average month. Do not include premium pay such as standby, shift differential, and overtime in the monthly salary rate used as the basis for termination leave payment.

*The formula for deriving the .0063 factor follows.

Formula for Deriving the Vacation Leave Buyout Termination Factor:

$$\frac{1}{\frac{8\text{ hrs}}{1\text{ day}} \times \frac{(365\text{ days} - 104\text{ Saturdays and Sundays} - 11\text{ holidays} - 12\text{ days of vacation leave})}{12\text{ months}}}$$

$$= \frac{1}{158.66}$$

$$= .0063$$

25.40.30 Accrued sick leave buyout

July 1, 2013

25.40.30.a **Authority**

In order to provide eligible state employees an attendance incentive program, RCW 41.04.340 establishes rules when monetary compensation may be paid for accrued sick leave. Compensation is permitted for only that portion of sick leave accumulated at a rate of one day (8 hours) per month.

WAC 357-31-150 or collective bargaining agreements (CBAs) provide additional rules and guidance.

25.40.30.b **Eligibility rules**

1. **Continuing employees**

   - In January of the year following any year in which a minimum of sixty days (480 hours) of sick leave is accrued, and at no other time, an eligible employee may elect to receive compensation for the unused sick leave *accumulated only in the previous year.*

   - Compensation is payable at 25% for any of the prior year's unused sick leave hours the employee elects to receive. However, no sick leave hours may be converted which would reduce the calendar year-end balance below 480 hours. Payment is based on the employee's current salary.

   - Sick leave for which compensation has been received is deducted from accrued sick leave at the rate of 4 days for every 1 day paid.

2. **Terminating employees**

   Eligible employees (or their estates) who separate from state service due to retirement or death may elect to receive compensation for unused sick leave at the rate of 25% of accumulated accrued sick leave. The compensation is based on the employee's salary at the time of separation.

25.40.30.c **Medical expense plans**

RCW 41.04.340 (7-9) authorizes retiring state employees to participate in medical expense plans, subject to conditions provided in statute, WAC 357-31-375, or CBAs. In lieu of remuneration for unused sick leave at retirement, agencies may, with equivalent funds, provide eligible employees with a benefit plan that provides for reimbursement for medical expenses.

25.40.30.d **Determination of the current hourly rate**

The appropriate current hourly rate for sick leave buyout compensation depends on how an eligible employee is paid. Most situations are addressed in the following examples.

- For an employee paid a monthly salary based upon an official Washington State Human Resource System Salary Schedule, divide the monthly salary rate by 174 (average number of hours in a month). The salary schedules can be found online at: http://hr.wa.gov/CompClass/Compensation/Pages/SalarySchedules.aspx.
- For an employee paid a salary based on a contract stating the number of contract days, divide the contracted salary by the number of contracted days to obtain a daily rate. Then divide the daily rate by the appropriate number of hours per day established for that contract to derive the hourly rate.
- For an employee paid a salary based on a *yearly* contract, divide the yearly salary by 12. The hourly rate is then calculated by dividing the computed monthly salary by 174 hours.
- If an employee is paid an hourly rate in accordance with an agreement negotiated between an employee organization and the state or based on an hourly rate from an official Washington State Human Resource System Salary Schedule, that hourly rate is the official rate for computing sick leave compensation. The salary schedules can be found online at: http://hr.wa.gov/CompClass/Compensation/Pages/SalarySchedules.aspx.

25.40.30.e **Exemption from retirement credit**

Do not take retirement contributions on payments for sick leave buyouts. Compensation for unused sick leave is not used in computing retirement allowances.

25.40.30.f **Buyout upon disability or death**

Per IRS Publication 15-A, sick leave buyouts made to employees who retire due to disability, or to deceased employees' survivors, are exempt from Old Age and Survivors Insurance (OASI) and Medicare taxes.

25.40.30.g **Buyout calculation**

Calculation for a Continuing Employee:

Sick Leave hours unused in previous year in excess of 480 hours elected for buyout x 25% x Employee's current hourly salary rate* = Buyout

Calculation for a Terminating Employee:

All unused Sick Leave hours remaining x 25% x Employee's current hourly salary rate* = Buyout

* Refer to Subsection 25.40.30.d for determination of the current hourly rate.

Example: An eligible employee has 650 hours of unused sick leave as of January 1, 20xx. The employee has 48 hours of unused prior year sick leave.

Calculation for a **Continuing** Employee: (25% x 48 hours) Pay 12 hours

Calculation for a **Terminating** Employee: (25% x 650 hours) Pay 162.5 hours

25.40.40 Workers' compensation time loss payments

October 1, 2013

25.40.40.a **Authority**

Under RCW 51.32.090, employees cannot receive time loss payments for any period in which they receive their regular salary or wages. For purposes of determining eligibility for time loss payments, regular salary or wages do not include holiday pay, vacation pay, sick leave, or similar paid leave. However, a collective bargaining agreement (CBA), a rule or an agency policy can require recovery of time loss payments under certain circumstances. **Be sure to consult these resources to determine whether time loss payments to an employee are subject to recovery.**

25.40.40.b **Agency procedures for time loss determinations**

1. **Department of Labor and Industries notification**

   The Department of Labor and Industries (L&I) notifies the agency of time loss payment amounts made to the agency's employees and the time periods covered.

2. **Agency receipt of notice**

   When an agency receives notice of time loss payments, the agency determines the nature of paid leave used by the employee, if any, during the disability period covered by workers' compensation.

3. **Employee options**

   Under WAC 357-31-235 or CBAs, employees can select from the following options:

   - Time loss compensation exclusively,
   - Accrued paid leave exclusively (excluding shared leave), or
   - A combination of time loss compensation and accrued paid leave.

4. **Eligibility for time loss payment is not affected by the use of these leave types:**

   - Vacation pay
   - Sick leave
   - Compensatory time
   - Exchange time
   - Holiday pay

5. **Shared leave**

   An employee who qualifies for time loss cannot use shared leave for the same time period. RCW 41.04.665(1)(f) requires an employee to have diligently pursued and been found to be ineligible for benefits under Chapter 51.32 RCW for a work related illness or injury in order to be eligible for the shared leave program for medical purposes.

   Note: If an employee inadvertently receives shared leave and is subsequently approved for benefits under Chapter 51.31 RCW, the employee shall not be required to repay to the agency the value of the shared leave used.

6. **Time loss recovery**

   CBAs, a rule or an agency policy may require an agency to recover time loss payments if an employee receives both sick leave and time loss payments during a disability period.

25.40.40.c **Time loss recovery procedures**

When time loss recovery is required by a CBA, a rule or an agency policy, upon notification by the Department of Labor and Industries (L&I) that an employee has received time loss payments, the agency is to determine if the employee received paid sick leave during the temporary disability period. If the employee received paid sick leave for a period covered by time loss payments, the agency is to recover the dollar value of the sick leave by having the employee select one of the following:

1. **The employee keeps the time loss payment but has a comparable salary reduction.**

   - Compute the employee's gross salary less the amount of the applicable time loss payment.
   - Compute federal income tax (FIT), OASI, and Medicare taxes on the employee's reduced gross salary. Time loss payments are not subject to these taxes.
   - For retirement contribution calculation and service credit, refer to Subsection 25.40.40.d.
   - Restore sick leave using the employee's hourly rate effective during the time loss period. Refer to Subsection 25.40.40.e.

2. **The employee reimburses the agency for the amount of the applicable time loss payment.**

   - Account for the reimbursement from the employee as a recovery of current period salary expenditures/expenses.
   - ***For payment purposes***, compute federal income tax withholding on the employee's gross salary without reduction for the time loss payment. However, OASI and Medicare taxes must be computed on the employee's gross salary after reduction for the time loss payment.
   - For retirement contribution calculation and service credit, refer to Subsection 25.40.40.d.

- The following ***year-to-date adjustments*** are required:
  - Reduce year-to-date earnings subject to federal income tax, OASI and Medicare by the amount of the time loss payment.
  - Adjust year-to-date OASI and Medicare taxes to reflect the OASI and Medicare adjustment made for reduction of the time loss payment. **Note**: Year-to-date adjustments may be accomplished automatically or manually, depending on the payroll system used. Refer to the applicable system documentation.
  - Restore sick leave using the employee's hourly rate effective during the time loss period. Refer to Subsection 25.40.40.e.

25.40.40.d **Retirement service credit – employees on unpaid leave**

Per the Department of Retirement Systems (DRS), employees who are in unpaid status while receiving time loss may elect to purchase service credit for up to a two year limit. Calculate retirement contributions based on one of the following two situations:

1. The employee elects to have full service credit for the duration of the claim up to the two year limit and the **agency chooses to assume liability for the employee and employer contributions:**
   - The agency must have an agreement with the employee. Calculate and report to DRS the *reportable compensation* the member would have received if the disability had not occurred.
   - Remit to DRS both the employer and employee retirement contributions that would have been made if the disability had not occurred. The employee contribution is deferred from Federal Income Tax (FIT).
2. The employee elects to have full service credit for the duration of the claim up to the two year limit and the **agency chooses <u>not</u> to assume liability for the employee contribution:**
   - At the end of the disability the employee has the option to purchase the lost service for each period of absence:
     - PERS, PSERS, TRS, and SERS: Up to 24 consecutive months for each duty disability.

- LEOFF Plan 2:
  - On or after July 1, 2002: Up to 24 consecutive months for each duty disability.
  - Prior to July 1, 2002: Up to six consecutive months for each duty disability.
- WSPRS: Up to six consecutive months for each duty disability.

Note: LEOFF Plan 1 administers temporary duty disabilities separately.

- Upon returning to work, the employee contacts DRS in order to purchase the desired amount of service credit.

- Upon receipt of payment for service credits by employee, DRS will invoice the employer for employer contributions, plus interest.

25.40.40.e **Formula to calculate sick leave to be restored**

$\frac{\text{Semi-monthly salary}}{\text{Hours available for pay period when time loss payment made}}$	=	Actual hourly rate
$\frac{\text{Time loss dollar value}}{\text{Actual hourly rate during payment period}}$	=	Amount of sick leave hours to be restored

Example: Time loss payment of $400 received or refunded to the agency. The employee's semi-monthly salary was $850 and the number of available hours in the 11 day pay period when the time loss payment was calculated was 88 (8 x 11).*

1. $\frac{\$850}{88}$ = $9.66 Actual hourly rate

2. $\frac{\$400}{\$9.66}$ = $41.40 Sick leave hours to restore

***Note:** Available hours are based on how many days are in a particular semi-monthly pay period and may vary depending on pay period.

25.40.40.f **FTE adjustment for restored sick leave hours**

When sick leave hours are restored in a sick leave recovery situation, a comparable FTE reduction is to be recorded when the sick leave is taken and recovered in the same fiscal period. The calculation for the monthly FTE adjustment, based on the example above is:

$$\frac{41.40 \text{ hrs}}{174} = .24 \text{ FTEs}$$

25.40.50 Recognition leave

January 1, 2009

WAC 357-31-565 and certain collective bargaining agreements authorize employers who have received performance management confirmation to grant employees up to five (5) days of paid leave within a twelve-month period to recognize outstanding accomplishments or the achievement of pre-defined work goals by individual employees or units.

Leave granted under this provision is not payable upon layoff, dismissal, separation, or resignation or transferable between employers. Accordingly, it need not be accrued at fiscal year end.

25.50
Payroll Deductions and Reductions

25.50.10 Introduction
May 1, 1999

Payroll deductions or reductions are amounts withheld from an employee's wages. Reductions affect gross income, deductions do not. Deductions are classified as mandatory or voluntary.

25.50.20 Mandatory (standard) deductions/reductions
June 1, 2016

25.50.20.a Mandatory Deductions from Gross Income

These must be deducted from employees' salaries and wages pursuant to federal or state law. Mandatory deductions include but are not limited to the following list:

Mandatory Deductions	*Description and Requirements*
Federal Income Tax	• Determine amount of withholding from employee signed federal W-4 form (Employee's Withholding Allowance Certificate). • Check IRS publication 15 (Circular E) for any additional rules.
Industrial Insurance (Medical Aid)	• State tax for industrial insurance benefits program. • Administered by the Department of Labor and Industries (L&I). • Premium for full-time employees is calculated using the standard monthly average of **160 hours** x L&I rate. • Premium for part-time employees is calculated using **actual hours**. • The L&I rate is based on the assigned risk classification(s). • Refer to RCW 51.12.035 and L&I regarding mandatory Medical Aid coverage for volunteers of state agencies who have registered and accepted the volunteer services. • Refer to L&I publications for coverage, employee/employer rates, and employer reporting requirements.
Old Age and Survivors Insurance (OASI) and Medicare	• OASI is a federal employment tax for retirement, survivors, and disability benefits. Matching contributions are required from both employees and employers. • The Medicare federal employment employee and employer matching tax supports federal health insurance. • The Department of Retirement Systems (DRS) administers our state's Section 218 agreement with the federal Social Security Administration. • Check with DRS for coverage requirements. • Refer to IRS Publication 15 (Circular E) for rates, deposit, and reporting regulations.

25.50.20.b **Mandatory Reductions to Gross Income**

These reduce gross pay and are not subject to federal income tax. Deduct these amounts from gross income before calculating federal income tax for eligible employees.

Reductions to Gross Income	*Descriptions and Requirements*
State Retirement Systems	• This is the employee's paid share of the total retirement contribution.
Higher Education Retirement Plans	• This is the employee's paid share of the Higher Education Retirement Plan. Refer to RCW 28B.10 and rules developed by specific agency governing boards.

25.50.30 Voluntary deductions/reductions

July 28, 2013

These options are permitted by law but require an employee's written request to authorize the payroll deduction or salary reduction. Generally, agency heads have the discretion to approve or deny requests for these types of deductions. The maximum deductions or reductions per employee are limited to the number that payroll systems can accommodate.

25.50.30.a **Voluntary Reductions from Gross Income**

These amounts reduce gross pay and are not subject to income tax. Deduct these amounts from gross income before calculating federal income tax. Participation in this type of reduction is at the employee's written request.

Voluntary Reductions	*Descriptions and Requirements*
Deferred Compensation Plans and Tax Deferred Annuities	• These are salary reductions allowed under RCW 28B.10.480 and 41.04.020. • Either the agency head or the Department of Retirement Systems Deferred Compensation Program approves the employee's request for this type of deduction.
Dependent Care	• This program allows eligible employees to exclude dependent care costs (like child care) from their gross income. Reductions are not subject to OASI and Medicare. • Eligibility requirements are in WAC 182-12-116, 182-08-187, 197, and 199. • For program details, refer to http://www.hca.wa.gov/pebb/Pages/dcap.aspx.

Voluntary Reductions	*Descriptions and Requirements*
Flexible Spending Plan	• A medical flexible spending account allows employees to set aside pretax earnings to pay eligible medical expenses. • Not available to employees enrolled in a consumer-directed health plan. • Amounts contributed must be used each plan year. • For more information, refer to http://www.hca.wa.gov/pebb/Pages/fsa.aspx.
Health Savings Account	• A health savings account (HSA) is a tax-exempt account into which employees, employers, or anyone can deposit on the employees' behalf. • In order to be eligible for an HSA, employees must be enrolled in a consumer-directed health plan. • Amounts contributed must be used to pay for IRS qualified out-of-pocket medical expenses and can accumulate from year to year. • For more information, refer to http://www.hca.wa.gov/pebb/Pages/cdhp.aspx.
Medical Expense Plans (Voluntary Employee Benefit Associations - VEBAs)	• RCW 41.04.340 allows eligible retiring employees an option to use their accrued sick leave buyout at retirement to purchase a post-retirement medical expense reimbursement plan. • Also refer to WAC 357-31-375 or CBAs for program requirements.

25.50.30.b Voluntary Miscellaneous Deductions

These deductions reduce net pay, but do not affect gross income. Participation in these types of deductions is at the employee's written request. These deductions may also require a minimum level of participation. The most common of these deductions follow:

Type of Deduction	*Description and Explanation*	*25/100 Rule **	*Agency Override on 25/100 Rule*	*Agency approval required*
Banks, Savings Banks, or Saving and Loan Associations	• These institutions must be authorized to do business in this state.	X	X	If < 25 in the agency X
Credit Unions		X	X	If < 25 in the agency X
Parking Fees and Transit Benefits	• Payments for parking furnished by the agency or by the Department of Enterprise Services. Deductions shall be pretax, to the extent possible, for qualified parking and transit benefits as allowed under the federal internal revenue code.			
US Savings Bonds	• Deductions at certain institutions of higher education for participation in the US Savings Bond program.			
Board, Lodging, Uniform Deductions	• Deductions for board, lodging, or uniforms furnished by the state.			
Tuition, Fees, or Scholarship Contributions	• Deductions for academic tuition, fees, or scholarship contributions payable to the employing institutions.			

Type of Deduction	*Description and Explanation*	*25/100 Rule **	*Agency Override on 25/100 Rule*	*Agency approval required*
Dues and Other Fees	• Membership dues for professional organizations formed primarily for public employees or college and university professors.	X		
Labor or Employee Organization Dues	• Per RCW 41.04.230, dues (including representation and other mandatory fees) authorized under a collective bargaining agreement if not already provided under the provisions of Chapters 41.76 or 41.80 RCW or other statutory authority. • Organizations of 500 or more may have payroll deduction for employee benefit programs.	X		
Funds, Committees, or Subsidiary Organizations Maintained by Labor or Employee Organizations	• Per RCW 41.04.230 (6), employees may voluntarily contribute. • Effective January 1, 2007.			
Health Care Authority Premiums	• Premiums for contracts authorized by the Washington State Health Care Authority (HCA) (Chapters 41.04 and 41.05 RCW). • Enrollment or assignment by the HCA to participate in a health care benefit plan, as required by RCW 41.05.065(8), shall authorize a payroll deduction of premium contributions without a written consent under the terms and conditions established by the public employees' benefits board. If an employee is overpaid due to an error related to payroll deduction of premium contributions, refer to salary overpayment recoveries in Section 25.80. • Premiums are treated as pretax unless the employee elects to have the premium taxed. This election must be made during open enrollment.			
Charitable Contributions	• Contributions to the state employee combined fund drive (RCW 41.04.036).			
Other Deductions	**Per RCW 41.04.230:** • Other deductions may be authorized by the director of OFM for purposes clearly related to state employment or goals and objectives of the agency and for plans authorized by the state health care authority. **Per RCW 41.04.030:** • Other Health, Accident, Disability, and Life Insurance - Deductions for employee chosen insurance carriers.	X		X

*This means minimum participation of 25 or more employees in one agency or 100 employees statewide.

25.60
Garnishments and Wage Assignments

25.60.10 Garnishments and levies

June 7, 2012

The term garnishment or levy is often used to describe a number of different documents. A garnishment or levy is used to capture all or a portion of earnings or personal property owed by a state agency to an employee, vendor, or third party. Personal property can include, but is not limited to, wages, leave buyout, vendor payments, commissions, bonuses, or prize money. The documents used to capture such amounts include, but are not limited to, writs of garnishment, mandatory wage assignments, mandatory payroll deductions, court orders, tax levies, and other administrative orders. Before proceeding, determine the type of legal document served upon the agency. The legal document will determine the procedure to follow.

25.60.10.a Writs of garnishment - overview

The law provides for two types of writs. The first is titled a "writ of garnishment (continuing lien on earnings)." The second is titled a "writ of garnishment (non-continuing lien)" or a "writ of garnishment (debt other than earnings – after judgment)." A continuing lien writ captures a percentage of the employee's wages for a 60 calendar day period. The non-continuing lien writ captures any non-exempt personal property owed to the employee/vendor (defendant) on the date the writ is served on the Office of the Attorney General. The non-continuing writ is most commonly used to capture contractual payments owed to a business.

25.60.10.b Writ of garnishment - continuing lien on earnings

A writ of garnishment (continuing lien on earnings) is served to capture an employee's earnings. Earnings include wages, salary, and other compensation. If the writ does not have the caption "continuing lien on earnings," it captures only the assets being held by the agency on the day the writ was received by the Office of the Attorney General.

Service of a writ on the Office of the Attorney General is required pursuant to RCW 6.27.040 and RCW 4.92.020. If an agency receives a writ directly, without prior service on the Office of the Attorney General, return the writ to the creditor (plaintiff) noting that it was improperly served.

Superior court writs of garnishment are issued by the clerk of the superior court, a court commissioner, or judge. A creditor's attorney may, however, issue *district court* writs of garnishment. Although an attorney may issue the initial district court writ of garnishment, any request or demand to turn over earnings or assets held by an agency must be by service on the agency of a court document titled "Judgment and Order to Pay." Either a court commissioner or a judge must sign this document.

Proper service of the writ (continuing lien on earnings) creates a lien on the employee's earnings for 60 calendar days. It captures all non-exempt earnings payable to the employee from the date of service on the Office of the Attorney General to the last payroll period ending on or before 60 calendar days after service of the writ.

Once the writ is served on the Office of the Attorney General, by law, an agency is prohibited from paying any non-exempt earnings to the employee. If the writ is served on the Office of the Attorney General on or near the date the employee is to be paid, an agency must take reasonable steps to stop a payment to the employee and withhold the non-exempt earnings.

The amount withheld each pay period will generally be 25 percent of the employee's disposable earnings or a lesser amount as stated in the writ. The remaining 75 percent is exempt from garnishment. The agency must pay the employee only the amount exempt from garnishment.

25.60.10.c First Answer

Accompanying the writ should be an "Answer to Writ of Garnishment" form. This form is often called the "First Answer." The agency must complete the First Answer form and return it to the applicable court with a copy to the creditor (plaintiff) or the creditor's attorney, as well as a copy to the employee (defendant). The First Answer must be mailed to the court, the creditor, and the employee within 20 calendar days after receipt of the writ by the Office of the Attorney General. Failure to answer the writ timely can result in a judgment being taken against the agency for the entire amount of the writ as well as costs and attorney fees.

To complete the First Answer, the agency must answer the questions in Section I of the writ. Next, if the defendant is an employee of the agency, the agency must complete Section II related to gross earnings, deductions, disposable earnings, and exempt earnings. Use the garnishment worksheets to perform the applicable calculations. These also provide backup documentation for the actual garnishment amount.

The first worksheet deals with the "First Answer" and the second worksheet deals with the "Second Answer" to the writ. The agency may attach a work sheet showing its calculations. Refer to Subsection 25.60.50 for garnishment worksheets.

25.60.10.d **Calculation of exempt earnings**

To calculate exempt earnings, subtract federal withholding taxes, social security (OASI), Medicare, L&I (medical aid), and retirement, and any other amounts required by law to be withheld from gross earnings. Any amounts the employee may deduct by law, such as health insurance, are not deducted from gross earnings. After deduction of the "amounts required by law to be withheld," the result is disposable earnings.

Seventy-five (75) percent of disposable earnings or thirty-five times the federal minimum hourly wage, whichever is larger, is the exempt amount. This 75 percent (or thirty-five times) must be paid to the employee. The remaining 25 percent is subject to the writ of garnishment (continuing lien).

If the writ of garnishment (continuing lien) is for child support, the exempt amount is 50 percent.

Note*: 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. Whenever "domestic partner" is used in this section, refer to this note for clarification.*

To calculate the 60 calendar day effective period and the payroll periods subject to the writ, the agency counts the day the writ was served on the Office of the Attorney General as well as counting another 60 calendar days, beginning the day after service of the writ. The day that the writ was served on the Office of the Attorney General to the end of the 60 calendar days is the "effective period."

The writ captures earnings due during the effective period. The agency must first determine the pay periods affected by the writ and then calculate the percentage of non-exempt funds available to the creditor.

Note that in determining affected pay periods, the agency cannot withhold money from a pay period that ends AFTER the end of the 60 calendar day effective period. The 60 calendar day effective period must encompass the WHOLE pay period affected (i.e., effective period ends March 14, the agency CANNOT hold money from the March 1-15 payroll period).

For illustrative examples, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

Generally, a writ received between the 1st and 9th of the month as well as the 16th and 24th of the month will capture five pay periods. This rule only applies if the agency's pay period coincides with the state's general pay periods of the 1st to the 15th and the 16th to the end of the month.

25.60.10.e Deduction codes

Non-exempt earnings deducted on behalf of the creditor must be held in a payroll revolving or equivalent account in General Ledger code 5189 "Garnishments Payable" until a Judgment on the Answer is served on the agency. This accounting approach only requires one deduction code to deduct the non-exempt earnings and credit them to the General Ledger code 5189.

25.60.10.f Processing fees

The agency may deduct a fee of up to $20 on the First Answer and $10 for the Second Answer for a continuing writ on earnings. The fee may be deducted from the employee's non-exempt earnings only. If the creditor's garnishment amount takes all non-exempt earnings (the entire 25 percent), no fee may be deducted. The processing fee may not be taken from an employee's exempt earnings.

For example, if the employee's disposable earnings for a 60-calendar day period are $5,000, a creditor may garnish up to 25 percent or $1,250. If the creditor garnishes $1,220, the agency should deduct the processing fee of $20/$10. If the amount garnished is $1,230, the agency may deduct only a $20 fee. If the amount garnished is $1,250 or more, no fee may be deducted.

Deposit processing fees in the operating account that supports the administrative workload used to process garnishments. Code fee receipts to General Ledger code 3210 "Cash Revenues," Revenue Source code 0499 "Other Revenue."

25.60.10.g **Second Answer**

Near the end of the 60 calendar day period, the creditor will send the agency a document titled Second Answer. The Second Answer tells the creditor what non-exempt earnings were captured during the 60 calendar days following the date of service of the writ on the Office of the Attorney General.

The agency must complete the Second Answer and mail it to the court, creditor, and employee within 20 calendar days of its receipt by the Office of the Attorney General in the envelopes provided by the creditor. Hold all non-exempt funds captured by the writ pending receipt of a document titled Judgment on Answer and Order to Pay (also called a Judgment on Answer).

25.60.10.h **Judgment on Answer and Order to Pay**

A Judgment on Answer and Order to Pay is a court order that requires the agency to pay the withheld earnings over to a specified party. It further binds the employee to pay the creditor's costs. No earnings withheld from an employee should be paid to the court or a creditor absent receipt of a Judgment on Answer and Order to Pay.

A Judgment on Answer and Order to Pay must be signed by a court commissioner or a judge. Follow the directions in the Judgment when determining where to send the withheld earnings. Under a writ issued by a district court, the earnings may be sent directly to the creditor, the creditor's attorney, or the court. A superior court writ requires that the earnings be sent to the court clerk unless otherwise stated in the writ.

Carefully note the judgment amount that the agency must remit. The judgment amount must be equal or less than the amount stated in the Second Answer. If the amount in the judgment is more than the amount stated in the Second Answer, it must be returned to the creditor for re-issuance in the correct amount. If the amount in the judgment is less than the amount stated in the Second Answer, issue the warrant/check in that amount and refund the remaining earnings withheld to the employee. The agency must issue this warrant/check against the account where previously deposited in General Ledger code 5189.

If the writ is paid through other sources or the writ is dismissed, the court or the attorney will send a notice of the satisfaction, release, or dismissal of the garnishment to the agency. Rescind the accrued miscellaneous deduction "payable to the court" and return the earnings withheld to the employee. **In no event is an agency to issue the warrant/check for the earnings withheld to the employee until the agency receives a release of the writ signed by the appropriate court officer or attorney.**

25.60.10.i **Stacking writs**

If the agency is withholding under one writ and the agency receives a second writ under a different court cause number, the second writ becomes effective upon expiration of the first writ. If the same creditor using the same court cause number as the first writ serves a second writ before the 60 calendar day period expires, refer the writ to the Office of the Attorney General. A creditor may not "stack" writs under the same court cause number.

For illustrative examples, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.60.10.j **Lien priority**

Lien priority is based on a number of factors. The time the document was served, the type of document, and the document's subject matter. As a general rule, non-child support garnishments and administrative orders (educational levy, notice to withhold and deliver, IRS tax levy) compete on a first-in-time, first-in-right basis.

A child support garnishment or administrative order takes precedence over all other types of garnishments, wage assignments and administrative orders except an IRS levy served on the employer prior to receipt of the child support order. Garnishments of any nature take precedence over a non-child support voluntary wage assignment. If the agency has questions regarding the priority of competing legal documents, contact the Assistant Attorney General assigned to garnishments.

For illustrative examples, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.60.10.k **Writ of garnishment (non-continuing lien)**

A writ of garnishment with the caption "non-continuing lien" captures payments, monies, or other assets (collectively referred to as payments) in the possession of the agency on the date the writ was received by the Office of the Attorney General. If the agency possesses any payment due on that date to the defendant, the agency is prohibited from transferring the payment. The agency must answer the writ within 20 days of service, identifying the payment amount in the agency's possession on the date of service.

If the payment is exempt from garnishment by state or federal law, the agency should answer the writ and cite the exemption statute. If no payments are owed to the defendant at the time the writ is received by the Office of the Attorney General, indicate in the writ that no monies were owed to the defendant on the date of service. If the agency fails to answer the writ, it can be held liable for the amount stated in the writ.

If payment is owed to the defendant, the agency must hold the payment until it receives a Judgment and Order to Pay. The agency should follow the directions in the Judgment when determining where to send the payments held.

Payments that become payable to the defendant after the date the original writ was served are not subject to the writ. A second writ must be served to capture additional payments.

For illustrative examples, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.60.10.l **Failure to answer or failure to remit funds**

If the agency fails to answer the writ or remit funds after a Judgment on Answer and Order to pay is received, the agency can be held liable for the full amount claimed by the creditor as well as interest, costs, and attorney fees. The creditor (plaintiff) must give the agency 10-calendar days notice that it will request the entry of a default judgment against the agency or serve the agency with a motion to show cause. If an agency receives such notice, contact the Assistant Attorney General assigned to garnishments immediately.

25.60.10.m **Release of writ**

If the creditor receives payment on its debt while the agency is holding withheld amounts from a garnishment, the creditor must obtain an order dismissing the garnishment signed by a court. The creditor may also provide the agency with a Release of Garnishment or Satisfaction of Judgment signed by the creditor's attorney. The release can be a partial release or full release. The agency should return amounts withheld that are released to the employee.

25.60.10.n **Failure of creditor to release writ or obtain judgment**

If the creditor fails to serve the agency with a Release of Garnishment or Judgment and Order to Pay, the agency must hold the amounts withheld for one year after the first answer was filed with the court. After one year, contact the Assistant Attorney General assigned to garnishments to seek release of the amounts withheld.

25.60.10.o **Direct questions to the Office of the Attorney General**

Direct all questions regarding garnishment procedures in this policy to the Assistant Attorney General assigned to garnishments.

25.60.20 Child support

June 7, 2012

25.60.20.a **Child support debt collection overview**

Child support can be enforced through payroll deduction notices, administrative orders (notice and order to withhold and deliver child support), mandatory wage assignment orders, writs of garnishment for child support, and out-of-state child support orders or notices (collectively referred to as child support levies). Unless issued as a writ of garnishment, a deduction taken pursuant to a child support levy continues beyond the 60 calendar day period of a writ of garnishment. A child support levy has priority over non-child support writs of garnishment, assignments, attachments, or other legal processes except an IRS levy served prior to receipt of the child support order.

25.60.20.b **Payroll deduction notice**

The Department of Social & Health Services (DSHS) may issue a payroll deduction notice to collect child support. The notice is effective immediately upon receipt by the agency. Service of the deduction notice on the Office of the Attorney General is not required.

An agency must answer the notice within 20 calendar days after receipt using the answer form provided. The agency must begin withholding funds immediately. The payroll deduction notice can capture up to 50 percent of the employee's disposable earnings. Any earnings withheld must be remitted to DSHS within 7 working days of the date the earnings are payable.

The agency may deduct a processing fee from the employee's wages. The processing fee is $10 for the first disbursement and $1 thereafter. The deduction notice remains in effect until released, until the employee is no longer employed, or until the agency no longer possesses any earnings.

25.60.20.c **Notice and order to withhold and deliver for child support**

A notice and order to withhold and deliver (order) is an administrative order to withhold earnings for child support. Similar to a payroll deduction notice, an order is effective immediately upon receipt by the agency. An agency must answer the notice within 20 calendar days after receipt using the answer form accompanying the order. The agency must begin withholding funds immediately.

The order can capture up to 50 percent of the employee's disposable earnings. Any earnings withheld must be remitted to DSHS within 7 working days of the date the earnings are payable. Upon withholding from the employee's paycheck, the agency may deduct a processing fee. The processing fee is $10 for the first disbursement and $1 thereafter.

The order remains in effect until released, until the employee is no longer employed, or until the agency no longer possesses any earnings.

25.60.20.d **Mandatory child support wage assignment order**

A court of law may issue a wage assignment to collect child support. Wage assignment orders are effective immediately upon service on the agency. An answer to a child support wage assignment order must be mailed no later than 20 calendar days after the day the order was received by the agency.

Withholding under such an order may not exceed 50 percent of the employee's disposable earnings. An agency must remit any earnings withheld within *five working days* of the date such earnings are payable. A $10 processing fee may be deducted by the agency for the first disbursement; and a $1 fee may be deducted for each disbursement thereafter.

A wage assignment order continues until paid, released, or the agency is no longer holding any earnings. An agency must promptly notify the addressee specified in the assignment when the employee is no longer employed.

Once employment is terminated, the agency must hold the wage assignment order for one year. The wage assignment order remains in effect for this one-year period. The one year period is calculated from the date of the employee's termination or the date the agency no longer possesses any earnings or other compensation, whichever is longer. The wage assignment order does not expire until one year has passed. If the former employee returns to service within the one-year period, the agency must immediately begin to withhold earnings as provided in the prior wage assignment order.

25.60.20.e Writ of garnishment for child support

Private parties may garnish wages for child support using a writ of garnishment under RCW 6.27. If the garnishment is a continuing lien on wages, it is only effective for a period of 60 days from the date of service. Withholding under a garnishment cannot exceed 50 percent of disposable wages.

25.60.20.f Out-of-state child support orders or notices

An agency must withhold earnings when it receives a document from an out-of-state entity requiring the withholding wages for child support. It may be served directly upon the agency and begins the day received. Follow the procedures provided in the notice. Contact DSHS, Division of Child Support, for assistance in processing out-of-state child support orders.

25.60.30 Wage assignments

March 1, 2010

25.60.30.a Wage assignments overview

There are generally two types of wage assignments – voluntary wage assignments and mandatory wage assignments. A voluntary wage assignment is an employee's written consent to transfer future wages to a third party (assignee). Wage assignments are generally only for a part of the employee's wages. A mandatory wage assignment is a similar transfer of earnings required by law or court order. The amount deducted under the wage assignment can exceed the 25 percent limit of a writ of garnishment.

25.60.30.b Voluntary wage assignment

Agencies may accept or decline to honor a voluntary wage assignment. However, honoring a voluntary wage assignment may forestall a garnishment, which results in significantly more work for an agency. An agency accepting a wage assignment should notify the employee and the assignee that the agency's acceptance is conditioned on (1) the agency not being liable for mistakes or omissions in honoring the assignment and (2) that enforced wage collections (e.g., garnishments) will take precedence over the assignment.

Before honoring such an assignment, the agency should obtain a copy of the assignment signed by the employee. If the employee is married or has a domestic partner registered in the state of Washington, written consent to the assignment by the employee's spouse or domestic partner is also necessary for non-child support debts.

25.60.30.c Mandatory wage assignments

A mandatory wage assignment most often requires the transfer of earnings based upon a court order or agency directive. The legislature provided for the mandatory assignment of wages for child support, criminal financial obligations and public assistance overpayments. A mandatory wage assignment should be processed in accordance with the terms of the assignment or court order. Continue to withhold earnings until the debt is paid in full unless the assignment states otherwise.

25.60.30.d Priority of wage assignments

A mandatory wage assignment, garnishment, or other legally established involuntary debt collection mechanism ordinarily takes precedence over a voluntary wage assignment. An agency should consult with its assigned Assistant Attorney General to resolve questions that may arise concerning these wage transfers.

25.60.40 Other debt collection procedures

October 1, 2013

25.60.40.a Bankruptcy

When notified of a bankruptcy filing by an employee, the agency should request that the employee provide written confirmation of the bankruptcy filing. This could include a letter from the employee's attorney with the bankruptcy court case number, a copy of the first page of the bankruptcy petition, or a copy of a bankruptcy filing receipt with the court's case number.

Once the agency has confirmation of the bankruptcy, the agency must stop deducting earnings under non-child support garnishment, administrative order, and/or wage assignment. However, child support withholding should continue unless instructed otherwise by the court.

If the agency withheld earnings *after* the bankruptcy was filed, return the post-bankruptcy earnings to the employee. As to earnings withheld *before* the bankruptcy was filed, send a letter to the creditor seeking guidance on distribution of any withheld earnings. If the creditor objects to distribution of the funds to the employee, hold the funds for one year. If the agency does not receive a Judgment on the Answer within one year of the Second Answer, contact the Assistant Attorney General assigned to garnishments for advice.

If the employee files a Chapter 13 bankruptcy, the Chapter 13 Trustee will forward a court order requiring the withholding of earnings. The agency must withhold and forward the earnings as indicated in the Order. Withholding under such an order can exceed 25 percent of disposable earnings. The Chapter 13 Trustee Office can answer any general questions regarding the bankruptcy order. Direct legal questions to the Assistant Attorney General assigned to garnishments.

25.60.40.b Tax collection

The IRS and state taxing agencies use tax levies to capture the earnings of an employee. The IRS uses a "Notice of Tax Levy." The Departments of Revenue, Labor & Industries, and Employment Security use a Notice and Order to Withhold and Deliver (NOWD). Tax levies may be served directly on an agency. Unless provided in the tax levy or NOWD, no processing fee may be collected.

Begin immediately withholding earnings in accordance with the tax levy or NOWD. An IRS tax levy and an NOWD are not subject to the 25 percent limit on withholding provided for writs of garnishment. A tax levy and NOWD are also continuing liens on earnings. Withholding should continue until paid in full, released, or earnings are no longer available to garnish. Check with the revenue agent of the applicable taxing authority if questions arise. If competing tax levies/NOWDs are served upon the agency and issues of lien priority arise, contact the Assistant Attorney General assigned to garnishments.

25.60.40.c **Educational loans**

Federal law allows for the collection of federally guaranteed student loans through an administrative order. An agency must honor the withholding order as if issued by a court of this State.

The administrative order may be served directly on an agency by mail. It captures earnings payable after the date it is received by the agency. The amount withheld, however, is subject to limits set by federal law. An agency may withhold only 15 percent of an employee's disposable earnings. An employee may, however, consent to a greater withholding amount by providing written consent to the U.S. Department of Justice. The withholding order will instruct the agency on the amount to be withheld. No processing fee may be deducted.

Disposable earnings are calculated similar to a writ of garnishment, except employee health insurance premiums are deducted from gross earnings when calculating disposable earnings. Withholding from disposable earnings continue until the amount is paid in full (including all interest), released in writing, or the agency no longer holds any earnings payable to the individual. Amounts withheld must be forwarded to the student loan agency no less frequently than once a month. Amounts forwarded should identify the employee, the employee's social security number, and any student loan number.

25.60.50 Worksheets for answers to writs of garnishment

June 7, 2012

Following are worksheets for the Calculations for First Answer to Writ of Garnishment, Continuing Lien, and Calculations for Second Answer to Writ of Garnishment, Continuing Lien.

Excel calculation worksheets for determining disposable earnings subject to garnishment, instructions for using the excel worksheets, and a sample First Answer worksheet is available on OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

Calculations for First Answer to Writ of Garnishment, Continuing Lien

Plaintiff: _____
Defendant: _____
Garnishee: _____
Court/Cause No: _____
Total Amount of Garnishment: $ _____
Date Served: _____ (effective date of writ) **Effective Date:** _____ (date served, plus 60 calendar days)

	1st Answer	Subject to 2nd Answer			
Payroll Period (dates): (not pay days)					
Gross Pay For Period:	$	$	$	$	$
Deductions:					
Withholding (Form W-4 Boxes 3 and 5 only)	$	$	$	$	$
OASI/Medicare	$	$	$	$	$
Retirement	$	$	$	$	$
Medical Aid	$	$	$	$	$
Union Dues**	$	$	$	$	$
MEP/VEBA***	$	$	$	$	$
Total Deductions:	$	$	$	$	$
Disposable Earnings:	$	$	$	$	$
Exempt Earnings:					
$1,099.58 per month or $549.79 semi-monthly or $253.75 per week (Federal min. $7.25/hour) OR	$	$	$	$	$
75% of Disposable Earnings	$	$	$	$	$
Larger of Above:	$	$	$	$	$

Note: If garnishment is for child support, the only exemption is 50% of disposable earnings. Refer to Subsection 25.60.20.e.

		Subject to 2nd Answer			
	$	$	$	$	$
Amount Subject to Garnishment: (disposable earnings less exempt earnings)	$ *	$	$	$	$

* Total amount withheld on first answer.
** Union dues are NOT deducted from gross income if paid under a contract or collective bargaining agreement. Includes representation and other mandatory fees.
*** Medical Expense Plan – Sick leave buyout is NOT garnishable if being paid to a Voluntary Employees' Beneficiary Association (VEBA) plan. If paid to an employee, do not deduct the amount from gross earnings.

Effective 06/07/12, changed the Federal Minimum Wage hours per week from 30 to 35 per SHB 1552. Per the Attorney General's Office, this update is effective for all wages paid on or after 06/07/12.

Calculations for Second Answer to Writ of Garnishment, Continuing Lien

Plaintiff: _____
Defendant: _____
Garnishee: _____
Court/Cause No: _____
Total Amount of Garnishment: $ _____
Date Served: _____ (effective date of writ) **Effective Date:** _____ (date served, plus 60 calendar days)

	1st Answer	Subject to 2nd Answer			
Payroll Period (dates): (not pay days)					
Gross Pay For Period:	$	$	$	$	$
Deductions:					
Withholding (Form W-4 Boxes 3 and 5 only)	$	$	$	$	$
OASI/Medicare	$	$	$	$	$
Retirement	$	$	$	$	$
Medical Aid	$	$	$	$	$
Union Dues**	$	$	$	$	$
MEP/VEBA***	$	$	$	$	$
Total Deductions:	$	$	$	$	$
Disposable Earnings:	$	$	$	$	$
Exempt Earnings:					
$1,099.58 per month or $549.79 semi-monthly or $253.75 per week (Federal min. $7.25/hour)	$	$	$	$	$
OR 75% of Disposable Earnings	$	$	$	$	$
Larger of Above:	$	$	$	$	$

Note: If garnishment is for child support, the only exemption is 50% of disposable earnings. Refer to Subsection 25.60.20.e.

	$	$	$	$	$
Amount Subject to Garnishment:		Subject to 2nd Answer			
(disposable earnings less exempt earnings)	$ *	$	$	$	$

* Total amount withheld on first answer.
** Union dues are NOT deducted from gross income if paid under a contract or collective bargaining agreement. Includes representation and other mandatory fees.
*** Medical Expense Plan – Sick leave buyout is NOT garnishable if being paid to a Voluntary Employees' Beneficiary Association (VEBA) plan. If paid to an employee, do not deduct the amount from gross earnings.

Effective 06/07/12, changed the Federal Minimum Wage hours per week from 30 to 35 per SHB 1552. Per the Attorney General's Office, this update is effective for all wages paid on or after 06/07/12.

25.70
Payment Methods

25.70.10 Employee payment options
June 7, 2012

There are three ways to pay employees:

- Direct deposit,
- Payroll card, and
- Warrant (check).

Per RCW 41.04.240, institutions of higher education as defined in RCW 28B.10.016, are authorized to require the following payment methods:

- For employees who have an account in a financial institution, payment to any financial institution for either:
    - Credit to the employees' accounts in such financial institution, or
    - Immediate transfer there from to the employees' accounts in any other financial institution.
- For employees who do not have an account in a financial institution, payment by alternate methods such as payroll cards.

Direct deposit by Automated Clearing House (ACH) into an employee's account is the preferred method for paying employees. This method is generally the least expensive method for disbursing funds electronically.

25.70.20 Direct deposit of employee's earnings
July 1, 2011

25.70.20.a Employee requirements for direct deposit by ACH

- The employee is paid through a payroll system participating in an approved program.
- The employee is paid on a regularly scheduled payroll.
- An employee signed authorization for direct deposit by ACH is on file at the agency. For a sample authorization form, refer to Office of Financial Management's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

- The employee has an account in either a bank or credit union that has the ability to accept transfers of funds via electronic and other technological means.

25.70.20.b **Agency requirements for direct deposit of employee's net pay by ACH**

Agencies are to establish procedures that incorporate internal controls to safeguard funds against loss.

An agency's internal controls are to include a positive system of validating the amounts transferred and verifying that the amounts to be transferred to an employee are actually due for work performed or benefits due.

25.70.20.c **Payroll system requirements for direct deposit of employee's net pay by ACH**

Payroll systems must develop standard procedures that apply to agencies participating in the system. Standard procedures require that the employee receive a "Notice of Deposit" that contains the following information:

- The employee's name.
- The amount of the deposit.

25.70.20.d **Requirements for financial institutions used in direct deposit programs by ACH**

The bank or credit union is responsible for adherence to federal and state statutes and regulations related to the transfer of funds via electronic and other technological means.

25.70.25 Payroll cards for employee's earnings

July 1, 2011

25.70.25.a **Employee requirements for deposit of employee's net pay by a payroll card**

- The employee is paid through a payroll system participating in an approved program.

- The employee is paid on a regularly scheduled payroll.

- The practice is voluntary on the employee's part. An employee-signed authorization for deposit by payroll card must be on file at the agency. The employee must agree to pay any fees associated with the use of the payroll card. For a sample authorization form, refer to the Office of Financial Management's (OFM) Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

- In the case of loss or theft of the payroll card, the employee should immediately contact the financial institution that issued the card.

25.70.25.b **Agency requirements for deposit of employee's net pay by a payroll card**

- Unless specifically authorized by law, agencies wishing to disburse employee net pay via payroll cards **may require OFM approval prior to** implementation. If required, an Economic Feasibility Study must be submitted to OFM. Refer to Chapter 40 of this manual. Contact OST's Cash Management Division regarding available pay card contracts.

- Agencies are to establish procedures that incorporate internal controls to safeguard funds against loss.

- An agency's internal controls are to include a positive system of validating the amounts transferred and verifying that the amounts to be transferred to an employee are actually due for work performed or benefits due.

- The agency must provide the employee written notification that he/she is allowed to cancel the payroll card arrangement at any time with reasonable notice.

- The agency must give written notification of the mechanics of the payroll card plan, including any costs and restrictions before they are enrolled in a payroll card program.

25.70.25.c **Payroll system requirements for payment of employee's net pay by payroll card**

Payroll systems must develop standard procedures that apply to agencies participating in the system. Standard procedures require that the employee receive a "Notice of Deposit" that contains the following information:

- The employee's name.
- The amount deposited to the payroll card.

25.70.30 Amounts due to deceased employees

January 1, 2017

When an employee dies, promptly record all amounts owed to the employee in GL Code 5145 "Due to Deceased Employees' Estates." All compensation due to a deceased employee, no matter when earned, is to be held until the surviving spouse, domestic partner registered in the state of Washington or estate has met certain legal requirements. Refer to Subsection 85.34.30 for accounting procedures related to amounts due to deceased employees.

The term "amounts owed to the deceased" means amounts owed for labor or services performed by the deceased and/or expense reimbursements or allowances.

25.70.30.a Cases in which the court has appointed a personal representative

If the deceased employee's estate is in probate (a court action has been filed to distribute the deceased's estate), and the court has appointed a personal representative, then the entire amount owing to the deceased employee is to be paid to the personal representative (personal representatives may also be referred to as executors or administrators).

The agency is to require a copy of the court order appointing the personal representative before paying the amount due the deceased employee. Generally, orders appointing personal representatives will come from the state superior court. If a tribal court is involved in an inheritance case and an agency is presented with a tribal court order, contact your agency's OFM Accounting Consultant.

25.70.30.b Cases in which no personal representative has been appointed

If no personal representative has been appointed by a court on behalf of the deceased's estate, then certain relatives can claim the amount due to the deceased employee. The agency must require proof of the claimant's relationship to the deceased employee before distributing any of the amounts owed to the deceased to the claimant. This proof is accomplished when the claimant completes the ***Claim for Indebtedness of the State of Washington to Deceased Employee*** form. Using the declaration form is easiest for most claimants, particularly those residing out of state, because it does not require the document to be signed in front of a notary public.

The specific relatives who can file a claim for indebtedness are set forth in RCW 49.48.120. They are as follows in the order of priority: the surviving spouse or domestic partner registered in the state of Washington of the deceased; if there is no surviving spouse or domestic partner registered in the state of Washington of the deceased, then the deceased's surviving child or children; if the deceased had no surviving child or children, then the deceased's parent or parents.

Refer to Subsection 25.70.30.d for instructions involving surviving spouses or domestic partners registered in the state of Washington who have a community property agreement. If none of these relatives survives the deceased, then the state can release the amount owed to the deceased only to the personal representative of the deceased's estate unless the provisions of Subsection 25.70.30.e apply.

Note*: 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. Whenever "domestic partner" is used in this section, refer to this note for clarification.*

The state of Washington does not permit the creation of common law marriages. Couples must obtain a license and the ceremony must be solemnized in order for the marriage to be valid (refer to RCW 26.04.050).

However, a common law marriage created in another state will be recognized as valid in the state of Washington if the common law marriage was recognized as a valid marriage in the state where created (refer to RCW 26.04.020(3)). The following jurisdictions recognize common law marriages: Alabama; Colorado; District of Columbia; Georgia (if created before 1/1/1997); Idaho (if created before 1/1/1996); Iowa; Kansas; Montana; New Hampshire; Ohio (if created before 10/10/1991); Oklahoma (if created before 11/1/1998); Pennsylvania (if created before 1/1/2005); Rhode Island; South Carolina; Texas; and Utah.

If the deceased has multiple surviving children, then the agency can pay only the representative portion of the amount owed to the deceased to a child, absent an agreement signed by all of the deceased's children that the child signing the Claim Form may accept the amount owed to the deceased on behalf of all the deceased's surviving children. For example, if the deceased has three surviving children, and only one child filed a claim form, the agency could pay that child only one-third of the total amount the agency owed the deceased, subject to the dollar restrictions in Subsection 25.70.30.c.

A child of the deceased employee who has been declared emancipated under Chapter 13.64 RCW may still file the claim form for the amounts due the deceased. While children who are minors (under 18) must have a guardian or other legal representative file the claim form on their behalf, an emancipated minor is considered an adult for these purposes.

If the deceased is survived by both parents who are divorced or the domestic partnership registered in the state of Washington has been dissolved – then each must file a claim form and the agency should pay each parent half of the total amount owed to the deceased, subject to the dollar restrictions in Subsection 25.70.30.c. If the parents are still married or domestic partners registered in the state of Washington, then either may file the claim form and the agency should pay the entire amount subject to the dollar restrictions in Subsection 25.70.30.c to that parent.

25.70.30.c **Payments to the relatives in Subsection 25.70.30.b are limited to $13,000 or less**

Even if the state owes the deceased more than $13,000, the agency can only pay to the appropriate relative an amount not exceeding $13,000, unless the provisions of Subsections 25.70.30.d or 25.70.30.e apply or a personal representative has been appointed by the court.

Starting July 1, 2005, and every biennium thereafter, the director of the Office of Financial Management (OFM) may adjust the amount of indebtedness that can be paid for a claim to a level not to exceed the percentage increase in the consumer price index for Seattle. Adjusted dollar amounts of indebtedness shall be rounded to the nearest five hundred dollar limit. Refer to RCW 49.48.120.

CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE
RCW 49.48.120

(AFFIDAVIT FORM)

STATE OF WASHINGTON
_____COUNTY

Warrant/Check No(s) _____
_____
Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by
(Print legal name of deceased employee)
_____ of the state of Washington at the time of his/her death.
(Name of state agency)

2. I am (check one of the following):

   ☐ The legally married spouse or domestic partner registered in the state of Washington of the deceased;

   ☐ A child of the deceased (if multiple children of the deceased, each child must sign a claim form to obtain proportionate share of the amounts due to the deceased employee unless all children sign a separate form that states one child, on behalf of all children, can take entire portion owed to the deceased); or

   ☐ A parent of the deceased (if parents of the deceased are married or domestic partners registered in the state of Washington, only one parent need sign the claim form; if parents are divorced or their domestic partnership registered in the state of Washington has been dissolved, each must sign separate claim forms and each will receive half of what is owed to the deceased).

3. No personal representative, executor or administrator of the deceased employee's estate has been appointed.

4. Check one of the following:

   ☐ Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of $13,000*, or

   *Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

   ☐ Claim is made for the full amount due to the deceased employee for labor, services performed or expense reimbursements or allowances which claim is allowed because the deceased employee and the claimant had entered into a community property agreement (CPA) (attach copy of the agreement), the CPA was executed in good faith, was not rescinded by the parties before the deceased employee's death, and upon the death of the deceased employee, the indebtedness owing to the employee became the sole property of the surviving spouse or domestic partner registered in the state of Washington.

_____
Signature of Claimant Date

Subscribed to and sworn before me this _____ day of _____, 20 _____ .

_____
Notary Public for the state of Washington, residing at

_____

OFM 07/2015

CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE
RCW 49.48.120

(DECLARATION FORM)

STATE OF WASHINGTON
_____COUNTY

Warrant/Check No(s) _____
_____
Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by
(Print legal name of deceased employee)
_____ of the state of Washington at the time of his/her death.
(Name of state agency)

2. _____ declares under penalty of perjury that he or she is:
(Name of Claimant)

   - ☐ The legally married spouse or domestic partner registered in the state of Washington of the deceased;
   - ☐ A child of the deceased (if multiple children of the deceased, each child must sign a claim form to obtain proportionate share of amounts due to the deceased unless all children sign a separate form that states one child, on behalf of all children, can take entire portion owed to the deceased); or
   - ☐ A parent of the deceased (if parents of the deceased are married or domestic partners registered in the state of Washington, only one parent need sign the claim form; if parents are divorced or their domestic partnership registered in the state of Washington has been dissolved, each must sign separate claim forms and each will receive half of what is owed to the deceased).

3. No personal representative, executor or administrator of the deceased employee's estate has been appointed.

4. Check one of the following:

   - ☐ Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of $13,000*, or

   *Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

   - ☐ Claim is made for the full amount due to the deceased employee for labor, services performed or expense reimbursements or allowances which claim is allowed because the deceased employee and the claimant had entered into a community property agreement (CPA) (attach copy of the agreement), the CPA was executed in good faith, was not rescinded by the parties before the deceased employee's death, and upon the death of the deceased employee, the indebtedness owing to the employee became the sole property of the surviving spouse or domestic partner registered in the state of Washington.

_____
Signature of Claimant Date

OFM 07/2015

CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE MULTIPLE CHILDREN
RCW 49.48.120
(AFFIDAVIT FORM)

STATE OF WASHINGTON
_____COUNTY

Warrant/Check No(s) _____
_____
Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by
(Print legal name of deceased employee)
_____ of the state of Washington at the time of his/her death.
(Name of state agency)

2. We are the children of the deceased.

3. We, the undersigned, agree that our sibling _____ shall accept the entire amount due to the deceased
(Name of sibling)
on our behalf.

4. No personal representative, executor or administrator of the deceased employee's estate has been appointed.

5. Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of $13,000*.

*Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

_____
Signature of Claimant Date

Subscribed to and sworn before me this_____ day of _____, 20 _____ .

_____
Notary Public for the state of Washington, residing at

_____

_____
Signature of Claimant Date

Subscribed to and sworn before me this_____ day of _____, 20 _____ .

_____
Notary Public for the state of Washington, residing at

_____

OFM 07/2015

CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE MULTIPLE CHILDREN - continued

_____
Signature of Claimant Date

Subscribed to and sworn before me this_____ day of _____, 20 _____ .

_____
Notary Public for the state of Washington, residing at

_____

_____
Signature of Claimant Date

Subscribed to and sworn before me this_____ day of _____, 20 _____ .

_____
Notary Public for the state of Washington, residing at

_____

Note: Additional signature lines may be added as needed.

OFM 07/2015

CLAIM FOR INDEBTEDNESS OF STATE OF WASHINGTON TO DECEASED EMPLOYEE MULTIPLE CHILDREN
RCW 49.48.120
(DECLARATION FORM)

STATE OF WASHINGTON
_____COUNTY

Warrant/Check No(s) _____
_____
Fund _____

1. In the matter of the amounts due to the deceased employee _____ employed by
   (Print legal name of deceased employee)
   _____ of the state of Washington at the time of his/her death.
   (Name of state agency)

2. The undersigned claimants declare under penalty of perjury that they are the children of the deceased.

3. We, the undersigned, agree that our sibling _____ shall accept the entire amount due to the deceased
   (Name of sibling)
   on our behalf.

4. No personal representative, executor or administrator of the deceased employee's estate has been appointed.

5. Claim is made for the amount due to the deceased employee for labor, services performed and/or expense reimbursements or allowances, not exceeding the sum of $13,000*.

   *Beginning July 1, 2015, an amount calculated pursuant to RCW 49.48.120(2) (increase based on the Seattle CPI).

_____
Signature of Claimant Date

_____
Signature of Claimant Date

_____
Signature of Claimant Date

_____
Signature of Claimant Date

Note: Additional signature lines may be added as needed.

OFM 07/2015

25.70.30.d **Cases involving a community property agreement (CPA)**

If the deceased and his or her surviving spouse or domestic partner registered in the state of Washington executed a community property agreement (CPA) and the agreement meets the requirements of RCW 26.16.120, then the right to the amount owed to the deceased becomes the property of the surviving spouse or domestic partner registered in the state of Washington as follows:

1. The agency that employed the deceased must pay the surviving spouse or domestic partner registered in the state of Washington either the total of the amount the state owes the deceased or that portion governed by the CPA.

2. RCW 49.48.120 requires the surviving spouse or domestic partner registered in the state of Washington to present a copy of the CPA along with a properly completed Claim Form (using either the affidavit or declaration form) when claiming the amount owed to the deceased. This claim form must state that the CPA was executed in good faith between the parties and had not been rescinded prior to the death of the deceased.

Note: The fact that Washington is a community property state is not sufficient. The spouse or domestic partner registered in the state of Washington must have a CPA to qualify for the above payment.

25.70.30.e **Cases in which the estate consists only of personal property and are handled through the affidavit method pursuant to chapter 11.62 RCW**

The agency may also pay the amount owed to the deceased if the claimant, as a successor to the deceased, presents an affidavit as provided for in RCW 11.62.010 and RCW 11.62.020.

The agency must pay the claiming successor the total amount owed to the deceased if the claiming successor presents a copy of the deceased's death certificate **and** an affidavit containing **all** of the following information:

- The name and address of the claiming successor, and that the claiming successor is a "successor" as defined in RCW 11.62.005;

- That deceased was a resident of the state of Washington at the time of death;

- That the value of deceased's property (NOT including the community property interest of the surviving spouse or domestic partner registered in the state of Washington) is not more than $100,000 and includes only personal property;

- That 40 days have elapsed since the deceased's death;
- That no application or petition for the appointment of a personal representative is pending or has been granted;
- That all debts of the deceased including funeral and burial expenses have been paid or provided for;
- A description of the personal property claimed (here it would be the amount owed to the deceased) together with a statement that such personal property is subject to probate;
- That the claiming successor has notified all other successors of the deceased of his or her claim to the amount owed to the deceased and that 10 days has elapsed since the notice was either personally given or mailed to other successors; and
- That the claiming successor is personally entitled to full payment of the amount owed to the deceased or is entitled to full payment on behalf of and with the written authority of all other successors who have an interest in the amount owed to the deceased.

25.70.30.f **Missing employees that are presumed dead**

If it has come to the attention of an agency that an employee to whom amounts are owed is missing, and one of the persons listed in RCW 49.48.120 (spouse or domestic partner registered in the state of Washington, children, parent) is attempting to claim the amounts due to the employee, the agency cannot pay those amounts until it has a certified copy of a certificate of presumed death. Under RCW 70.58.390, a county coroner, medical examiner or prosecuting attorney may issue a certificate of presumed death under certain circumstances.

25.70.30.g **Processing and releasing payment to the claimant or successor**

Upon receipt of the documentation required in a, b, d or e above, a copy of the deceased employee's certified death certificate, or certificate of presumed death as required in f above, and an Internal Revenue Service Form W-9 "Request for Taxpayer Identification Number and Certification," the agency shall process the payment.

The agency shall make the warrant or check payable to the appropriate claimant or successor who signed the claim form and presented the required documentation.

25.70.30.h **Claimant must acknowledge payment receipt**

In all instances, the supporting documentation is to be retained by the agency as evidence for release of the warrant or check. In addition, agencies are to require claimants to acknowledge receipt of payment in writing. A sample receipt form can be found on OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp

25.70.30.i **Federal employment taxes withholding and reporting requirements**

The rules for withholding federal income, Old Age and Survivors Insurance (OASI), and Medicare employment taxes and reporting wages (including accumulated leave) paid after death depend on date of death, the type of compensation, and the payment date. Refer to the current Internal Revenue Service (IRS) Publications 15 and 15-A, as well as other regulations for withholding and Form W-2 reporting requirements regarding deceased employees' wages.

Also note, there are IRS Form 1099-MISC reporting requirements for payments to claimant estates or beneficiaries. Refer to the current IRS Publication Instructions for Forms 1099 at: https://www.irs.gov/pub/irs-pdf/i1099msc.pdf

25.70.30.j **Further guidance is available**

For guidelines and procedures on how to process claims of indebtedness of state of Washington to deceased employees, refer to OFM's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.80
Salary Overpayment Recoveries

25.80.10 Definitions
July 1, 2012

Overpayment, as used in RCW 49.48.210, means a payment of wages for a pay period that is greater than the amount earned for a pay period.

Net overpayment, for the purposes of this section, means the amount of overpayment made to an employee, less the employee share of Social Security and Medicare payroll taxes.

Involuntary wage deduction means a wage deduction the agency imposes through the procedures detailed in Subsection 25.80.50.

25.80.15 Recovery methods
July 1, 2007

Debts due the state for overpayment of wages may be recovered by the agency in several ways:

1) The employee can agree to pay back the overpayment through a voluntary wage deduction (or, by cash or personal check);

2) The agency can assign the debt to a collection agency;

3) The agency can engage in an involuntary wage action; or

4) The agency can bring an action against the employee in court.

If the overpayment involves an employee covered by a collective bargaining agreement, the recovery methods in the collective bargaining agreement should be followed.

25.80.20 Preliminary overpayment procedures – represented employees

July 1, 2007

When an agency determines that an employee covered by a collective bargaining agreement has been overpaid wages, the agency is to provide written notice to the employee. The notice should include the amount of the overpayment, the basis for the claim, and the rights of the employee under the collective bargaining agreement.

For a sample notice, refer to the Office of Financial Management's Payroll Resources at website at: http://www.ofm.wa.gov/resources/payroll.asp.

Any dispute relating to the occurrence or amount of the overpayment shall be resolved using the procedures in the collective bargaining agreement.

25.80.25 Recouping an overpayment through a payroll deduction – represented employees

July 1, 2007

If the final result of an overpayment resolution process prescribed by a collective bargaining agreement is that an overpayment has occurred, the payroll deduction to repay the overpayment shall happen over the period prescribed in the collective bargaining agreement.

The agency and employee can agree to a term that is more or less than the term of the overpayment provided in the collective bargaining agreement; however, the agency cannot deduct more than the amount provided by the agreement in any pay period without prior consent of the employee. Deductions from wages shall continue until the entire overpayment debt is retired.

25.80.30 Preliminary overpayment procedures – non-represented employees

July 1, 2007

When the agency believes that a wage overpayment has occurred involving an employee not covered by a collective bargaining agreement, it should collect information and have a preliminary discussion with the employee about the overpayment. During this preliminary discussion, the agency should inform the employee about the availability of the administrative hearing process should the agency and employee be unable to agree that an overpayment has occurred.

If the agency and employee agree that an overpayment has occurred, the agency should attempt to reach agreement with the employee as to the amount of the overpayment, and how the employee will pay it back.

An agency and employee may agree to terms that are acceptable to both parties. If the employee agrees to reimburse the agency by payroll deduction, a signed written authorization must be obtained before commencing deductions from the employee's payroll. Or, an ex-employee and agency could agree that the ex-employee will reimburse the state for the overpayment by making a specific number of payments over a certain amount of time. Any repayment agreement should be memorialized in writing and signed by both parties with a copy provided to each.

If the agency and employee fail to come to an agreement or the employee begins a repayment process but does not complete it, the agency may then use a collection agency or involuntary wage deduction following the due process requirements in Subsections 25.80.40 or 25.80.50.

At this point, it is important that the agency consider the overpayment amount and estimated costs to obtain a recovery for each remedy option available. If the agency has any questions concerning legal rights and responsibilities, the questions should be directed to the agency's assigned Assistant Attorney General.

25.80.40 Use of collection agencies to recoup a wage overpayment – non-represented employees

July 1, 2007

RCW 19.16.500 allows state agencies to contract with licensed collection agencies to collect a public debt on behalf of the state. However, no wage overpayment recovery can be assigned to a collection agency except under the following circumstances:

- The agency was not successful in obtaining an agreement for the recovery of an overpayment during the preliminary actions described in Subsection 25.80.30 and the employee has failed to ask for additional review of the agency's decision.
- The agency has followed the due process procedures listed below:
    - The agency has attempted to notify the employee that a debt is owed. The best method by which an agency can do this is to personally hand the employee a letter detailing the overpayment that has occurred.

- The agency has notified the employee that the debt may be turned over to a collection agency for collection if the debt is not paid and no request for review or administrative hearing is made by the employee. This statement should probably be included in a letter that the agency gives the employee.

- Thirty (30) days have elapsed since the employee was notified of the debt or decision, whichever is later.

Refer to Subsection 85.54.50.d regarding use of collection agencies.

25.80.50 Overpayment recoveries – dispute resolution process – non-represented employees

July 1, 2007

This process should only be utilized when the agency has not been successful in obtaining recovery of an overpayment during the preliminary actions described in Subsection 25.80.30.

When an agency determines that an employee has been overpaid wages or salary, the agency must provide the employee with written notice that the overpayment occurred, the amount of the overpayment, and that the employee has twenty calendar days from the date he or she received the notice within which to repay the overpayment.

For a sample notice, refer to the Office of Financial Management's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.80.50.a The notice can be served upon the employee in the manner in which a summons in a civil case is served (the notice is hand delivered to the employee) or it can be mailed to the employee by certified mail, return receipt requested, to his or her last known address.

Because the twenty calendar day time period does not start running until the employee "receives" the notice, even if the agency mails the notice, it is in the best interest of the agency to also hand deliver the notice to the employee. This would preclude the employee from not "receiving" the notice by not accepting delivery by mail. If the agency hands the notice to the employee, it should complete the Certificate of Service form and maintain it in the employee's file. If the matter goes to an adjudicative hearing (see later), the Certificate will be needed to prove the employee received proper notice.

25.80.50.b Within the twenty calendar day period following receipt of the notice, the employee may request that the agency review its finding that an overpayment has occurred. The employee can do this in person or through the submission of written documentation.

If the employee does not make the review request within the twenty calendar day period, the agency may begin to recoup the overpayment through involuntary deductions from the employee's wages. Refer to Subsection 25.80.55 for restrictions on amounts to be deducted.

25.80.50.c When the agency receives an employee's request for a review within the twenty calendar day period, it shall review the overpayment assessment as well as the reasons for the employee's challenge to the overpayment. Once the agency has completed its review, it shall notify the employee in writing of the agency's decision. There is no time limit on the agency's review of the request, but the longer it takes the agency to conduct the review, the longer it will be before the issue is resolved. The review decision must be sent to the employee by certified mail, return receipt requested. The agency should also personally hand the review decision to the employee.

For a sample agency review decision, refer to the Office of Financial Management's Payroll Resources website at: http://www.ofm.wa.gov/resources/payroll.asp.

25.80.50.d If the employee is dissatisfied with the agency's review decision, the employee may, as described in WAC 82-04, apply for an adjudicative proceeding under Chapter 34.05 RCW, the Administrative Procedures Act.

The application for the adjudicative proceeding must be served on and received by the agency within twenty-eight calendar days of the employee receiving the agency's review decision. The employee must serve the employer by certified mail, return receipt requested. If the employee does not apply for the adjudicative proceeding within the twenty-eight day period, the agency may begin involuntary deductions to recoup the overpayment.

If the agency determines that the cost to the agency of the adjudicative hearing exceeds the overpayment amount to be recouped, it can agree with the employee to "write off" the overpayment and, in so doing, extinguish the debt.

The agency should agree to do this only if the employee agrees to dismiss his or her request for an adjudicative hearing. If the agency reaches this agreement with the employee, it cannot then refer the debt to a collection agency.

Note: Once the adjudicatory process has begun, the agency cannot assign the debt to a collection agency unless the employee agrees. The agency cannot terminate the adjudicatory process short of "writing off" the debt.

25.80.50.e If the employee does request an adjudicative hearing after the agency review decision, the agency must wait for the ruling of the administrative law judge before proceeding with the recoupment process through involuntary deductions.

25.80.55 Recouping an overpayment through a payroll deduction – non-represented employees

July 1, 2007

If an adjudicative hearing is conducted and the administrative law judge finds that an overpayment has occurred, the payroll deduction to repay the overpayment shall not exceed 5% of the employee's disposable earnings in a pay period.

The agency and employee can agree to an amount that is more or less than the 5%; however, the agency cannot deduct more than 5% of the employee's disposable earnings each pay period without prior consent of the employee. Deductions from wages shall continue until the entire overpayment debt is retired.

Note: Calculate disposable earnings by using the same formula that is used to determine disposable earnings for garnishments. Refer to Subsection 25.60.50.

25.80.60 Recouping an overpayment through a lawsuit – non-represented employees

July 1, 2007

If the agency is unable to recoup the overpayment using the other methods listed above, the agency can sue the employee to recover the overpayment. Consult the agency's assistant attorney general if this appears to be the only option.

25.80.70 Employee transfers between state agencies – represented and non-represented employees

July 1, 2007

If an employee elects to leave employment with one state agency to accept employment with another state agency, the losing agency shall carry the balance of the overpayment receivable in the State Payroll Revolving Account, Account 035, Salaries and Fringe Benefits Receivable, General Ledger code 1324. The losing agency shall provide notification to the employee of the current *net balance* of the overpayment, as defined in Subsection 25.80.10, and provide the employee the opportunity to renegotiate the repayment arrangement.

The gaining agency accepting a payroll deduction arrangement shall collect the overpayment as a net payroll deduction in accordance with the arrangement. There is no payroll tax effect in the gaining agency. The losing agency is responsible to file corrected payroll tax reports and recoup agency payroll tax costs.

25.80.80 Employee termination from state with balance owing – represented and non-represented employees

July 1, 2007

Per RCW 49.48.200, any overpayment amount still outstanding at termination shall be deducted from the earnings of the final pay period.

If the final earnings do not permit recovery of the total amount owed, the agency may follow the requirements of Subsection 25.80.40 and turn the debt over to a collection agency.

If overpayment is discovered after the employee leaves the state's employ, the agency that overpaid the employee may, following the due process procedures in Subsection 25.80.40, turn the debt over to a collection agency.

25.80.90 Interest on past due salary overpayment receivables – represented and non-represented employees

July 1, 2007

25.80.90.a For represented employees, a salary overpayment shall be considered past due on the later of:

- The date 30 calendar days after the end of the grievance period defined in the collective bargaining agreement which applies to the represented employee; or
- The date 30 calendar days after the employee fails to pay a scheduled payment as agreed by the employee and the agency in accordance with the collective bargaining agreement which applies to the represented employee, provided that the overpayment shall not be considered past due while a grievance is being resolved.

25.80.90.b For non-represented employees, a salary overpayment shall be considered past due on the later of:

- The date 30 calendar days after the employee fails to pay a scheduled payment as agreed in writing by the employee and the agency; or
- The date 30 calendar days after the end of the period allowed the employee in Subsection 25.80.50.d for adjudicative hearing request following an adverse agency review, provided that the overpayment shall not be considered past due while an adjudicative hearing is pending resolution.

25.80.90.c RCW 43.17.240 requires that interest of one percent per month be charged on past due receivables including receivables originating from uncollected salary overpayments. Exceptions are provided when one of the following conditions are met:

- Charging interest conflicts with the provisions of a contract, or with any other law.
- The debit is to be paid by other governmental units.
- The debt became due prior to July 28, 1991.
- The debt falls within one of the waiver exemption categories in WAC 82-06-010.

For purposes of determining when a salary overpayment is due, the debt is considered due when the employee is notified of the overpayment, notified of the agency review determination in accordance with RCW 49.48.210, or the determination by the administrative law judge in accordance with RCW 49.48.210, whichever event is later.

25.80.95 Agency internal control system to prevent overpayments – represented and non-represented employees

July 1, 2007

All agencies are to maintain an effective system of internal controls to prevent salary and wage overpayments as much as possible.

All employees and all agency staff who affect the pay process in an agency including those who approve payroll, enter time, work with personnel actions, calculate payroll, produce payroll, or distribute payroll are responsible to assist in achieving an overall effective system of control to produce accurate timely payrolls.

Chapter 30 - Capital Assets

30.10 About the Capital Asset Policies

30.10.10	Purpose of these policies	July 1, 2001
30.10.20	Authority for these policies	June 1, 2016
30.10.30	Applicability of these policies	June 1, 2016
30.10.40	Responsibilities of the State Agency	June 1, 2016
30.10.50	Policies differ in cases of absolute title and residual title	July 1, 2001
30.10.60	Assets in use by subtenant agencies	July 1, 2001

30.20 Valuing, Capitalizing, Depreciating and Reconciling Capital Assets

30.20.10	How to value capital assets	July 1, 2015
30.20.20	When to capitalize assets	Mar. 17, 2010
30.20.22	Assets not capitalized	July 1, 2001
30.20.30	Definition of a capital lease	July 1, 2014
30.20.40	Accounting for capital leases	Mar. 17, 2010
30.20.50	Capital assets acquired through Certificates of Participation (COP)	July 1, 2009
30.20.60	Accounting for infrastructure	June 1, 2012
30.20.70	Depreciation policy	Feb. 1, 2011
30.20.80	Non-depreciable transportation-related infrastructure assets reported using the modified approach	June 1, 2002
30.20.90	Impairment of capital assets and related insurance recoveries	July 1, 2005
30.20.95	Reconciliation of capital assets	July 1, 2012

30.30 Marking and Identifying Capital Assets

30.30.10	Mark all inventoriable capital assets	July 1, 2001
30.30.20	How capital assets should be marked	July 1, 2001
30.30.30	When it is OK not to mark a capital asset	July 1, 2009

30.30.40	Capital asset inventory tags	July 1, 2015
30.30.50	Capital asset inventory tags and control numbers need to be controlled	July 1, 2001

30.40 Capital Asset Inventory Records Policy

30.40.10	Which assets need to be inventoried or cataloged?	July 1, 2001
30.40.20	Small and attractive assets	July 1, 2014
30.40.30	Capital asset inventory system requirements	July 1, 2012
30.40.40	Adding capital assets to the inventory	July 1, 2001
30.40.45	Removing capital assets from the inventory	July 1, 2012
30.40.50	Department of Enterprise Services requires information about surplus property	Jan. 1, 2012
30.40.80	Lost or stolen property	July 1, 2008

30.45 Capital Asset Physical Inventory Policy

30.45.10	Physical inventory frequency	July 1, 2009
30.45.20	Who should conduct and verify the physical inventory?	July 1, 2001
30.45.30	Physical inventory instructions	July 1, 2001
30.45.40	Physical inventory reconciliations	July 1, 2001
30.45.50	Retaining physical inventory records	July 1, 2001

30.50 Capital Asset Class and Location Code Tables

30.50.10	Schedule A - Capital asset class codes and useful life schedule	Sept. 1, 2014
30.50.20	Schedule B - Location (county) codes	July 1, 2001

30.10
About the Capital Asset Policies

30.10.10 Purpose of these policies
July 1, 2001

The purpose of these policies is to establish the minimum requirements for a capital assets inventory system.

30.10.20 Authority for these policies
June 1, 2016

The authority for these policies is RCW 43.88.160 (1), RCW 43.19.1917, and RCW 43.41.150.

30.10.30 Applicability of these policies
June 1, 2016

This chapter is applicable to all agencies of the state of Washington as defined in RCW 43.88.020 (4), unless otherwise exempted by statute or rule.

30.10.40 Responsibilities of the State Agency
June 1, 2016

- Establish a capital asset inventory system (refer to Subsection 30.40.30) that:
  - Provides control and accountability over capital assets, and
  - Gathers and maintains information needed for the preparation of financial statements.

- The agency head must designate, in writing, one or more Agency Inventory Officers to be responsible for maintaining and safeguarding the agency's capital assets. Agencies are responsible for developing internal policies and procedures to protect and control the use of all capital assets.

30.10.50 Policies differ in cases of absolute title and residual title

July 1, 2001

- When the agency has absolute title to a capital asset: 1) include the value of the capital asset in the annual financial statements, and 2) include the capital asset in the capital asset inventory system, if inventoriable.

- When an external entity, such as the federal government, retains residual title to a capital asset: 1) include the capital asset in the capital asset inventory system, if inventoriable. This includes capital assets on lease or long-term loan.

- Temporary custodial responsibility or title shall not be considered absolute for the purposes of this chapter.

30.10.60 Assets in use by subtenant agencies

July 1, 2001

- The purchasing agency is the owner of and has responsibility for the proper accounting and reporting of capital assets acquired through a capital project. If the authorizing legislation for a capital project provides capital assets for more than one agency or for agencies other than the purchasing agency, the purchasing agency may, by agreement, condition the use of such capital assets by the subtenant agency. This agreement could include making the subtenant agency responsible for all reporting requirements for those capital assets. Upon vacation of the agreement, all ownership rights and responsibilities revert to the purchasing agency.

30.20
Valuing, Capitalizing, Depreciating, and Reconciling Capital Assets

30.20.10 How to value capital assets

July 1, 2015

Capital assets should be valued at cost including all ancillary charges necessary to place the asset in its intended location and condition for use.

Determine the value of capital assets in the following manner:

30.20.10.a **Purchased assets**. Use historical costs including all nonrefundable purchase taxes (e.g., sales taxes), and all appropriate ancillary costs less any trade discounts or rebates. If the historical cost is not practicably determinable, use the estimated cost.

If land is purchased, the capitalized value is to include the purchase price plus costs such as legal fees, filing, and excavation costs incurred to put the land in condition for its intended use. The cost of the land also includes indefinite land use rights, such as easements, mineral, timber, and water rights, acquired with the purchase of the underlying land. Land use rights acquired separately from a land purchase and those with definite useful lives are classified as intangible assets.

Building costs include both acquisition and capital improvement costs, including, in enterprise and trust funds, net construction period interest. Capital improvements include structures (e.g., office buildings, storage quarters, and other facilities) and all other property permanently attached to, or an integral part of, the structure (e.g., loading docks, heating and air-conditioning equipment, and refrigeration equipment). Agencies have the option of capitalizing buildings by components when the useful lives of the components vary.

Furniture, fixtures, or other equipment not an integral part of a building are not considered capital improvements and should be classified as equipment. The cost for this asset type reflects the actual or estimated cost of the asset.

Software, licenses of commercially available software, patents, and other purchased intangible assets that do not meet the definition of an investment are valued at historical cost, including all appropriate ancillary costs.

30.20.10.b **Self-constructed assets, including internally developed computer software**. Capitalize all direct costs and agency project management costs associated with a construction/development project. Agency project management costs may be capitalized in one of two ways:

1. Use actual project management costs when they are practicably discernible and directly associated with the project; or

2. Apply a percentage of total budgeted project costs. The application rate may or may not be designed to recover total agency project management costs. Exclude indirect costs unless they are increased by the construction. Refer to the OFM Capital Plan instructions for discussion of maximum percentage limitations.

In enterprise and trust funds, include net interest costs incurred during the period of construction in the capitalized cost of the asset, if material. Capitalized interest on assets constructed with tax-exempt borrowing should be netted against any interest earned on the investment of the proceeds of the related tax-exempt borrowings. Interest costs are always recorded as expenditures in governmental fund type accounts and as expenses in internal service funds. Refer to Subsection 85.85.50.

Once identifiable as defined in Subsection 30.20.20, costs incurred for the development of internally generated intangible assets are capitalized only upon the occurrence of **all** of the following criteria; costs incurred prior to meeting these criteria are not capitalized:

1. Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon the completion of the project.

2. Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity. For example, technical feasibility can be demonstrated by the selection of a commercially available software package or by the selection of a development path to meet service capacity requirements.

3. Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset.

Specifically with respect to internally developed computer software, there are three stages involved in the development and installation:

1. Preliminary project stage, which includes conceptual formulation and evaluation of alternatives, determination of the existence of needed technology, and the final selection of alternatives for the development of software. Costs associated with this stage are not capitalized.

2. Application development stage, which includes design, configuration and interfaces, coding, installation of hardware, installation and licensing of commercially available software, and testing, including parallel processing. This includes data conversion only to the extent it is necessary to make the software operational. Costs associated with this phase are capitalized when both of the following occur:

   - Activities of the preliminary project stage are completed.

   - Management implicitly or explicitly authorizes and commits to funding the software project.

   Capitalization of costs should cease when the computer software is substantially complete and operational.

3. Post-implementation/operation stage, which includes application training and software maintenance. This includes other data conversion costs. Costs associated with this stage are not capitalized.

For accounting for the construction of capital assets, refer to Subsection 85.60.90.

30.20.10.c **Ancillary costs**. Normally, ancillary costs should be included in the cost of a capital asset. Ancillary costs are normal or necessary costs required to place the asset in its intended location and condition for use. However, minor ancillary costs, not measurable at the time a capital asset is recorded in an authorized property inventory system, are not required to be capitalized but may be capitalized if the information becomes readily available. Ancillary costs include such items as:

For land:

- Legal and title fees;
- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;

- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

For infrastructure:

- Professional fees of engineers, attorneys, appraisers, financial advisors, etc.;
- Surveying fees;
- Appraisal and negotiation fees;
- Damage payments;
- Site preparation costs; and
- Costs related to demolition of unwanted structures.

For buildings and improvements other than buildings:

- Professional fees of architects, engineers, attorneys, appraisers, financial advisors, etc.;
- Damage payments;
- Costs of fixtures permanently attached to a building or structure;
- Insurance premiums, interest in certain situations (refer to Subsection 30.20.10.a), and related costs incurred during construction; and
- Any other costs necessary to place a building or structure into its intended location and condition for use.

For furnishings, equipment, intangibles, collections, and other capital assets:

- Transportation charges;
- Sales tax;
- Installation costs;
- Warranties; and
- Any other normal or necessary costs required to place the asset in its intended location and condition for use.

30.20.10.d **Donated capital assets, works of art and historical treasures** are valued at their estimated acquisition value on the date of donation, plus all appropriate ancillary costs.

30.20.10.e **Capital assets for income purposes**. Capital assets acquired or created primarily for the purpose of obtaining income or profit should be valued pursuant to the investment policy in Section 85.52.

30.20.20 When to capitalize assets

July 1, 2012

The state's capitalization policy is as follows:

- All land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs;
- The state highway system operated by the Department of Transportation;
- Infrastructure, other than the state highway system, with a cost of $100,000 or greater;
- Buildings, building improvements, improvements other than buildings, and leasehold improvements with a cost of $100,000 or greater;
- Intangible assets, either purchased or internally developed, such as land use rights not acquired with the purchase of land, software, patents, and trademarks, with a cost of $1,000,000 or more that are "identifiable" by meeting either of the following conditions:
    - The asset is capable of being separated or divided and sold, transferred, licensed, rented, or exchanged; or
    - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable;
- All other capital assets with a unit cost (including ancillary costs) of $5,000 or greater, or collections with a total cost of $5,000 or greater, unless otherwise noted; and
- All capital assets acquired with Certificates of Participation (COP).

For capital assets acquired by and used in the operations of **governmental fund type accounts**, record the value of the assets in the General Capital Assets Subsidiary Account (Account 997). Refer to Subsection 85.60.30.a.

For capital assets acquired by and used in **proprietary and trust fund type accounts**, record the value of the assets in the account itself. Refer to Subsection 85.60.30.b.

Although small and attractive assets do not meet the state's capitalization policy above, they are considered capital assets for purposes of marking and identifying capital assets (refer to Section 30.30), inventory records requirements (refer to Section 30.40), and physical inventory counts (refer to Section 30.45).

Close out the construction in progress and capitalize the costs into the appropriate asset classification when a project is substantially complete, accepted, and placed into service. Refer to Subsection 85.65.64.

30.20.20.a **New acquisitions**. Capitalize new acquisitions that meet the state's capitalization policy as stated above. Additions, improvements, repairs, or replacements to existing capital assets are not considered new acquisitions and are discussed below.

30.20.20.b **Additions**. Capitalize expansions of or extensions to an existing capital asset that meet the state's capitalization policy above.

30.20.20.c **Extraordinary repairs, betterments, or improvements**. Capitalize outlays that increase future benefits from an existing capital asset beyond its previously assessed standard of performance if they meet the state's capitalization policy as stated above. Increased future benefits typically include:

- An extension in the estimated useful life of the asset.
- An increase in the capacity or efficiency of an existing capital asset.
- A substantial improvement in the quality of output or a reduction in previously assessed operating costs.

Leasehold improvements that meet the state's capitalization policy are recorded to General Ledger Code 2350 "Leasehold Improvements."

30.20.20.d **Replacements**. For buildings and improvements other than buildings, capitalize the cost of outlays that replace a part of the asset when the cost of the replacement is $100,000 or more **and** at least 10 percent of replacement value of the asset.

Example: A $120,000 replacement of a heating system in a building having a replacement value of $1.5 million would not be capitalized. In this case $120,000 is not at least 10 percent of the building's replacement value. Had the building's replacement value been less than $1.2 million, the $120,000 heating system replacement would have been capitalized.

Exceptions to this policy are:

- Replacement roof coverings are not capitalized (whether or not the replacement is with superior materials) unless the replacement extends the useful life of the building.
- Replacement floor coverings and window coverings are not capitalized.
- Costs to remodel (convert) a building to a different use are not capitalized, where the remodeling does not extend the useful life of the structure itself, unless the conversion increases the capacity or efficiency of the existing asset.

Remove the capitalized value and the associated accumulated depreciation of the replaced capital asset or original building component from the accounting records if the amounts are determinable, and capitalize the cost of the replacement. Refer to Subsection 85.60.50.

30.20.20.e **Bulk purchase**. For proprietary fund type accounts, bulk purchases of like capital assets with unit costs of less than $5,000 may be capitalized as a group where the allocation of costs for the bulk assets over time is matched to the corresponding revenue generated by the bulk assets. For other fund type accounts, bulk purchases are capitalized when the purchase is made using the Office of the State Treasurer's (OST) Certificate of Participation (COP) program. Refer to Subsection 30.20.50.

30.20.20.f **Collections**. Capitalize art collections, library reserve collections, and museum and historical collections when the conditions described in Subsection 30.20.22 are not met. Agencies meeting these conditions have the option of capitalizing their collections. Library resources are capitalized and may be carried on the agency's property records as a single item.

30.20.22 Assets not capitalized

July 1, 2001

30.20.22.a Art collections, library reserve collections, and museum and historical collections that are considered inexhaustible, in that their value does not diminish over time, are not required to be capitalized if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to an agency policy that requires the proceeds from sales of collection items to be used to acquire other items for the collections.

Agencies must be able to provide descriptions of the collections and the reasons the collections are not capitalized.

30.20.22.b While these collections are not required to be capitalized, they are to be catalogued per Subsection 30.40.10.

30.20.30 Definition of a capital lease

July 1, 2014

A capital lease is a lease that transfers substantially all the benefits and risks inherent in the ownership of property to the state. A lease must meet one or more of the following four criteria to qualify as a capital lease:

1. Ownership of the leased property is transferred to the state by the end of the lease term; or
2. The lease contains a bargain purchase option; or
3. The lease term is equal to 75 percent or more of the estimated useful life of the leased property. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease.; or

4. If, at the inception of the lease, the present value of the future minimum lease payments, excluding executory costs (usually insurance, maintenance, and taxes paid in connection with the leased property, including any profit thereof) is 90 percent or more of the fair value of the leased property. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease. The interest rate to be used in the computation of the present value is available by contacting the Debt Management Division of OST, and is the rate in effect at the execution date of the lease.

30.20.40 Accounting for capital leases

March 17, 2010

30.20.40.a When the state's capitalization policy (refer to Subsection 30.20.20) is met:

- Account for a capital lease as an acquisition of a capital asset and the incurrence of a liability. If a lease involves the acquisition of more than one asset, each asset is to be capitalized if its fair value meets the state's capitalization threshold. Refer to Subsections 85.60.70 and 85.72.30.

- If title to a leased asset transfers to the state at the conclusion of an operating lease (refer to Subsection 30.20.30), capitalize the fair value of the asset upon receiving title.

30.20.40.b If a lease meets the requirements of a capital lease per Subsection 30.20.30, record a capital lease between state agencies as follows:

- The lessor agency is to treat the lease as a sales type lease (record a sale on account and remove the asset from inventory).

- The lessee agency is to treat the lease as a capital lease (record the acquisition of a capital asset and the incurrence of a liability).

30.20.40.c Capital leases are to be used only to acquire capital assets. Refer to Subsection 30.20.20.

30.20.50 Capital assets acquired through Certificates of Participation (COP)

July 1, 2009

Capital assets acquired through OST's Certificate of Participation (COP) program are to be capitalized. Refer to Subsections 30.20.20.e, 85.60.80, and 85.72.40.

30.20.60 Accounting for infrastructure

June 1, 2012

30.20.60.a In accordance with the Governmental Accounting Standards Board Statement Number 34, acquisitions of capital assets defined as infrastructure, which meet the state's capitalization policy, are to be capitalized.

30.20.60.b The state highway system operated by the Department of Transportation is classified by the state as Transportation Infrastructure-Modified Approach. Refer to Subsection 30.20.80.

30.20.60.c All transportation-related infrastructure not included in Subsection 30.20.60.b and all non-transportation infrastructure assets are required to be depreciated. Refer to Subsection 30.20.70.

30.20.70 Depreciation policy

July 1, 2012

30.20.70.a Calculate and record depreciation or amortization for all depreciable capital assets. Refer to Subsection 85.60.40.

Non-depreciable capital assets include:

- Land;
- The state highway system operated by the Department of Transportation, which is classified as Transportation Infrastructure-Modified Approach (refer to Subsection 30.20.80);
- Art collections, library reserve collections, and museum and historical collections that are inexhaustible (refer to Subsection 30.20.22);
- Construction in progress; and
- Intangible assets with indefinite useful lives.

30.20.70.b **Depreciation** normally begins when an asset is purchased or completed, and accepted. However, if it is not placed into service immediately, depreciation should begin when the asset begins to lose value. Either option should be applied consistently and should be reasonable in the circumstance. Depreciation may be calculated using either the straight-line or composite method.

- To calculate depreciation using the **straight-line method**:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

  Salvage value is an estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

- Calculate the **composite method** based on weighted average estimated lives or an estimate of the useful life of the grouping of assets, such as library resources. The assessment could be based on condition assessments or experience with the useful lives of the groupings of assets. A consistent composite depreciation rate should generally be used throughout the life of the grouping of assets, but the rate should be recalculated if the composition of the assets or estimate of the useful lives changes significantly. For example, if the average useful life of library resources, or portion thereof, was estimated to be 25 years, an annual depreciation rate of 4 percent would be used. The annual depreciation expense would be calculated by multiplying the annual depreciation rate by the cost of the collection.

30.20.70.c **Useful life for capital assets**. Agencies are required to use the useful life shown in Schedule A, Capital Asset Class Codes and Useful Life Schedule (Subsection 30.50.10.a) for capital assets acquired in new condition. For energy efficiency equipment and products, refer to the Addendum to Schedule A (Subsection 30.50.10.b).

However, a shorter or longer estimated life may be used depending on factual circumstances, replacement policies, or industry practices. Proposed deviation in useful life from Schedule A requires prior written approval from the OFM Accounting Division.

When establishing an asset's useful life:

- Agencies are responsible for establishing and utilizing an appropriate useful life for assets acquired in less than new condition.
- The useful life for leasehold improvements is the estimated service life of the leasehold improvements, or the remaining term of the lease, whichever is shorter.
- The useful life for intangible assets acquired by contract generally should not exceed the period of the contract.

For depreciation purposes, the useful life of assets should be reviewed to ensure it has remained the same. Impairment of assets or changes in contractual provisions may impact the useful life and remaining depreciation.

30.20.80 Non-depreciable transportation-related infrastructure assets reported using the modified approach

June 1, 2002

The state capitalizes the state highway system as a class of infrastructure assets and reports these assets using the "modified approach" to depreciation. Under the modified approach, these infrastructure assets are not depreciated as long as two requirements are met:

- The assets are managed in an asset management system, which includes keeping an up-to-date inventory of assets, performing condition assessments of the assets and summarizing the results, and estimating the annual amount to maintain and preserve the assets.
- The state documents that the assets are being preserved approximately at or above the condition level established and disclosed previously by the state.

30.20.90 Impairment of capital assets and related insurance recoveries

July 1, 2012

30.20.90.a A capital asset is considered to be impaired if the asset experiences a significant and unexpected decline in its service utility. The service utility of a capital asset is the expected usable capacity at acquisition. A capital asset may be impaired due to events or changes in circumstances, such as physical damage, obsolescence or changes in technology, enactment or approval of laws or regulations or other changes in environmental factors, a change in manner or duration of use, or a construction stoppage. A capital asset that becomes impaired is to be revalued to reflect its decline in service utility. Refer to Subsection 85.60.45. Contact your assigned OFM Accounting Consultant when you have a material impairment.

30.20.90.b Insurance recoveries related to impaired assets are reported net of the related loss when the recovery is realized or realizable in the same fiscal year as the loss. Otherwise, restoration or replacement costs of an impaired capital asset are reported as a separate transaction from the related insurance recovery.

30.20.95 Reconciliation of capital assets

July 1, 2012

Agencies are to reconcile the balance in GL Code Series 2XXX "Capital Assets" to the balance of the detail listing of capital assets in the agency's authorized capital asset management system. Agencies using the state's Capital Asset Management System (CAMS) have available capital asset reports for both cost and depreciation showing beginning balances, additions, deletions, and ending balances. Agencies not using CAMS are to develop similar capital asset reports. Refer to Subsection 85.60.60.

ER reports to use: Financial Reports/Accounting/Capital Asset Management.

30.30
Marking and Identifying Capital Assets

30.30.10 Mark all inventoriable capital assets

July 1, 2001

Inventoriable capital assets are described in Subsection 30.40.10.

Mark all inventoriable capital assets upon receipt and acceptance to identify that the property belongs to the state of Washington, except as noted in Subsection 30.30.30 below.

This identification should:

- Facilitate accounting for the asset;
- Aid in its identification if the asset is lost or stolen;
- Discourage theft; and ultimately,
- Reduce the magnitude of the state's property losses.

30.30.20 How capital assets should be marked

July 1, 2001

30.30.20.a Permanently affix the identification information to the asset by using a standardized adhesive tag or inscribing the asset according to the following format:

- WASHINGTON STATE (or state seal insignia),
- AGENCY NAME (or authorized abbreviation or agency number),
- OPTIONAL BAR CODE, and
- ASSIGNED CONTROL NUMBER

If an existing capital asset displays only a state control number, which has been assigned, properly affixed, and recorded on an authorized inventory system pursuant to Subsection 30.40.10, it does not need to be retagged.

30.30.20.b Agencies may determine where to place the “Washington State" identification and control number on the capital asset. However, the identification and control number should be located on the principal body of the asset, rather than a removable part.

30.30.30 When it is OK not to mark a capital asset

July 1, 2009

Occasionally, an agency will find it is impractical or impossible to mark some of its inventoriable capital assets according to these standards. For example, where a capital asset:

- Would lose significant historical or resale value (such as art collections or museum and historical collections);
- Would have its warranty negatively impacted by being permanently marked;
- Is stationary in nature and not susceptible to theft (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements);
- Has a unique permanent serial number that can be used for identification, security, and inventory control (such as vehicles); or
- Is an intangible asset that lacks physical substance.

In these cases, the identification "Washington State" or state seal insignia is not required, and the agency is to apply alternative procedures to inventory and identify such assets as "Washington State."

Leased assets (capital or operating) should only be permanently marked with the identification upon formal transfer of ownership to the state.

30.30.40 Capital asset inventory tags

July 1, 2015

Agencies are required to use tags that include the format detailed in Subsection 30.30.20.a. For ease of inventory control, agencies may use tags bearing a bar code.

30.30.50 Capital asset inventory tags and control numbers need to be controlled

July 1, 2001

Responsibility for controlling capital asset control numbers rests with the agency's inventory officer. Agencies are to ensure that adequate controls for safeguarding unissued, mutilated, and voided capital asset inventory tags are established.

30.40
Capital Asset Inventory Records Policy

30.40.10 Which assets need to be inventoried or cataloged?

July 1, 2001

The following assets are inventoriable assets and must be carried on the property records of an agency:

- All assets meeting the state's capitalization policy (refer to Subsection 30.20.20),
- Assets with a unit cost (including sales tax and ancillary costs) less than $5,000 identified as small and attractive assets (refer to Subsection 30.40.20 below),
- Art collections, library reserve collections, and museum and historical collections that meet the criteria in Subsection 30.20.22 which are not required to be capitalized, are required to be controlled by means of a perpetual inventory or a recognized cataloging system, and
- Collections under the control of a state historical society as defined by RCW 27.34.020 are required by RCW 27.34.070 to be cataloged.

Trust lands are to be accounted for by the administering agency.

30.40.20 Small and attractive assets

July 1, 2014

Each agency should perform a risk assessment (both financial and operational) on the agency's assets to identify those assets that are particularly at risk or vulnerable to loss. Operational risks include risks associated with data security on mobile or portable computing devices that store or have access to state data. Assets so identified that fall below the state's capitalization policy are considered small and attractive assets. Each agency should develop written internal policies for managing small and attractive assets. Internal policies should take into consideration the Office of the Chief Information Officer (OCIO) IT Security Standard 141 Section 5.8 Mobile Computing and Section 8.3 Media Handling and Disposal at https://ocio.wa.gov/policies.

The agency should implement specific measures to control small and attractive assets in order to minimize identified risks. Periodically, the agency should perform a follow up risk assessment to determine if the additional controls implemented are effective in managing the identified risks.

Agencies must include as small and attractive assets all items in the commodity class code major group 10XX – Weapons, Firearms, Signal Guns, and Accessories. Otherwise, agencies have discretion in setting their definition of small and attractive assets except as noted in this section. However, absent a risk assessment and development of written policies for identifying and controlling small and attractive assets, agencies must include, at a minimum, the following assets with unit costs of $300 or more:

7013	Laptops and Notebook Computers
7014	Tablets and Smart Phones

Agencies must also include the following assets with unit costs of $1,000 or more:

6651	Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders
6710-6730	Cameras and Photographic Projection Equipment
7012	Desktop Computers (PCs)
7730	Television Sets, DVD Players, Blu-ray Players, and Video Cameras (home type)

30.40.30 Capital asset inventory system requirements

July 1, 2012

Agencies are to maintain capital asset inventory systems that include records for all inventoriable assets.

Agencies are to use the Capital Asset Management System (CAMS) for all assets that meet the state's capitalization policy. Agencies may use an alternate in-house system provided written approval from the Office of the Chief Information Officer (OCIO) is obtained prior to initiating acquisition or development of the system. Refer to Subsection 80.30.88.

For assets defined as small and attractive, agencies may use either CAMS or an alternate in-house system without OCIO approval.

The following are required to be included in the inventory records:

Agency Name and Code Number - The agency name and three digit agency code number.

Account - For proprietary and trust fund type accounts, this is the account in which the asset is being used. This may or may not be the original purchasing account.

For governmental fund type accounts, this is the account that originally purchased the asset.

For those assets acquired prior to July 1, 1982, for which an account cannot be identified or is no longer in existence, such assets are to be identified as assets of the General Fund.

Acquisition Date - The date the agency takes title to, or assumes responsibility for, an asset.

Class Code - The code assigned to a capital asset that correlates to a descriptive title. Refer to Subsection 30.50.10 for Schedule A-Capital Asset Class Codes and Useful Life Schedule.

Cost - The total cost (value) assigned to the asset. Refer to Subsection 30.20.10 for clarification.

Depreciation - The portion of the cost of a capital asset representing the expiration in the service life of the asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and/or obsolescence which is charged systematically over the useful life of the capital asset. Refer to Subsection 30.20.70. This element is not applicable to small and attractive assets.

Description - Name of the asset.

Disposal Authorization - When required, either the number assigned by the Office of the Chief Information Officer/Technology Services Board (for information technology related equipment and proprietary software) or the Department of Enterprise Services (for all other capital assets), granting an agency the authority to dispose of an asset or as provided by specific statutory authority. Refer to Subsection 30.40.45.

Disposal Date - With proper authorization, the date that the agency officially relinquishes responsibility for the asset.

Inventory Control Number - The control number inscribed on, or contained on the inventory tag attached or referring to, an asset.

Location Code - The identification code of the county in which the asset is located. Refer to Subsection 30.50.20 for Schedule B for Location (County) Codes.

Manufacturer - The name of either the manufacturer or the commonly accepted trade name; if none, then vendor name.

Order Number - The number of the purchasing document used for the acquisition of the asset.

Ownership Status - An indication as to 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. If a county where the state land is located does not use a parcel numbering system for exempt land, use an alternative numbering system. This element is not applicable to small and attractive assets.

Quantity - The physical count of the inventoriable items. For equipment, this number is to be expressed as whole units; for buildings, as square feet; for land, in acres to the nearest tenth, except for tidelands and shorelands which are to be expressed in front footage; and for construction in progress, as number of capital projects under construction.

Salvage Value - The estimated portion of a capital asset’s cost that is recovered at the end of its service life less any disposal costs. This element is not applicable to small and attractive assets.

Serial Number - The sequential identification number assigned by the manufacturer. Do not confuse this number with the model number.

Useful Life - The estimated useful life of the capital asset in years or months. Refer to Subsection 30.50.10 for Schedule A - Capital Asset Class Codes and Useful Life Schedule. This element is not applicable to small and attractive assets.

30.40.40 Adding capital assets to the inventory

July 1, 2001

Upon receipt and acceptance of an inventoriable asset, the agency inventory officer is responsible for supervising the addition of the asset to the inventory system. This includes assigning tagging responsibilities to specific individuals as well as developing and implementing procedures to ensure that the necessary information is entered into the agency's capital asset inventory system.

30.40.45 Removing capital assets from the inventory

July 1, 2012

Agencies are to adopt internal policies and procedures regarding the timely removal of capital assets from inventory, including procedures for the proper approval of disposal requests.

Capital assets are to be removed from active inventory based on the completion and submission of a Property Disposal Request using the Property Disposal Request System available online at: http://des.wa.gov/services/surplus.

Agencies are responsible to cleanse assets of any sensitive information prior to surplus or disposal.

Agencies are to maintain records of capital asset dispositions in accordance with approved agency records retention schedules.

When disposing of and removing capital assets from inventory, agencies are to follow policies and guidelines, as appropriate, that are issued by:

- The Department of Enterprise Services, Surplus Programs for all capital assets, except those listed below (refer to RCW 43.19.1919),

- The Office of the Chief Information Officer (OCIO)/Technology Services Board for information technology related equipment and proprietary software (refer to RCW 43.105.041). OCIO policies identify the threshold at which these assets are required to be reported to OCIO. Refer to the State Technology Manual, Policy No. 121, available online at: http://ocio.wa.gov/policies.

Although agencies are not required to report assets under the OCIO threshold to Surplus Programs, as public agencies, they are encouraged to make these assets available to other state agencies, school districts, and nonprofit organizations prior to being offered to the general public. To accomplish this, agencies are urged to use the services of Surplus Programs for disposing of these assets, or

- Other specific statutory authority.

The cost and related accumulated depreciation/amortization of capital assets disposed of are also removed from the applicable general ledger codes.

30.40.50 Department of Enterprise Services requires information about surplus property

January 1, 2012

Agencies must report all capital assets classified as surplus (excluding information technology related equipment and proprietary software) to Surplus Programs at the Department of Enterprise Services (DES) in the format and manner specified by DES. Refer to Subsection 30.40.45 and RCW 43.19.1917.

30.40.80 Lost or stolen property

July 1, 2008

When suspected or known losses of inventoriable assets occur, agencies should conduct a search for the missing property. The search should include transfers to other divisions or agencies, storage, scrapping, conversion to another asset, etc. If the missing property is not found:

- Follow the loss procedures in Section 70.75.
- Remove the lost or stolen property from the agency's inventory and accounting records where applicable (refer to Subsection 85.60.50).
- Maintain records for losses of inventoriable assets in accordance with approved agency records retention schedules.

30.45
Capital Asset Physical Inventory Policy

30.45.10 Physical inventory frequency

July 1, 2009

Conduct physical inventories at least once every other fiscal year for all inventoriable assets except as noted below.

Due to the stationary nature of certain assets (such as land, infrastructure, buildings, improvements other than buildings, and leasehold improvements), performing a physical inventory every other fiscal year is not required. However, consideration must be given to the requirements of Subsection 85.60.45, which requires adjusting the carrying value of assets that have been impaired.

Agencies may conduct their capital assets inventory on a revolving basis if the following conditions are met:

- Every item is subject to a physical count or verification at least once every other fiscal year.
- The inventory program is documented and active.

As an alternative to conducting a physical inventory of every inventoriable asset at least once every other year, an agency may, pursuant to Subsection 1.10.50, request OFM approval for a risk based sampling approach to a physical inventory. Requests for approval and the agency's capital asset risk assessment are to be sent to the OFM Accounting Division.

Documents submitted to OFM for approval should include:

- A capital asset risk assessment that identifies the objectives and risks of the capital asset cycle;
- Analysis of the control policies and procedures surrounding agency capital asset purchases, dispositions, impairments, inventorying and financial reporting; and
- The impact of the risk assessment on the sampling approach (i.e. which assets are high risk and therefore should be tested).

For art collections, library reserve collections, library resources, and museum and historical collections (which are safeguarded and maintained through a perpetual or cataloging system), agencies are to perform a physical inventory of these assets at least once every other fiscal year if practical. If not, they are to be periodically sampled on a revolving basis or physically inventoried via accepted industry standards.

30.45.20 Who should conduct and verify the physical inventory?

July 1, 2001

In order to ensure objective reporting of inventory items, a physical inventory should be performed by personnel having no direct responsibility (custody and receipt/issue authority) for assets subject to the inventory count. If it is not feasible to use such personnel for any part of the inventory, then those portions are, at least, to be tested and verified by a person with neither direct responsibility for that portion of the inventory nor supervised by the person directly responsible.

30.45.30 Physical inventory instructions

July 1, 2001

Written physical inventory instructions must be documented and distributed to each person participating in the inventory process. The instructions should describe:

- How and where to record each item,
- What information to record,
- What to do when they have a question,
- What procedures to follow when they finish their assignments,
- What procedures to follow when equipment is located but not listed,
- The procedure by which the person counting the assets attests to the accuracy of the count, such as by signing his or her name at the bottom of each inventory page, or signing a cover page for a group of pages sorted by another method (batches, location, equipment type, etc.), and
- How to record assets not being used or in an obviously unserviceable condition. Such information is to be used to schedule repair or disposition of such assets. Also refer to Subsection 30.40.45.

30.45.40 Physical inventory reconciliations

July 1, 2001

After the physical inventory count is completed, the agency inventory officer is to conduct the reconciliation process. When all differences have been identified and explained, the inventory is considered reconciled. Refer to Subsection 85.60.60.

Agencies should conduct the following steps during the reconciliation process:

- Search the inventory lists to determine whether inventory noted during the count as unrecorded is, in fact, listed on another portion of the inventory.

- Enter unrecorded assets into the inventory system as soon as possible after discovery.

- If a significant number of unrecorded assets are located, indicating a major problem with the asset recording procedures, the agency inventory officer is to determine why the problem is occurring and correct it.

- Conduct a search in an effort to locate missing assets. For those assets not located, inventory officers are to follow procedures outlined in Subsection 30.40.80.

After the inventory is reconciled, the agency inventory officer is to certify the reconciliation with a statement and signature that it is correct and report this to the supervisor. If the certification cannot be made, the inventory officer is to disclose that fact and the supervisor is to determine the appropriate course of action.

30.45.50 Retaining physical inventory records

July 1, 2001

The certification, together with the reconciliation and the inventory listing, serves as the support for the inventory balance and for accounting adjustments, if any, and must be retained by the agency. The agency should retain this documentation in accordance with the approved agency records retention schedules.

30.50
Capital Asset Class and Location Code Tables

30.50.10 Capital asset class codes and useful life schedule

September 1, 2014

30.50.10.a **Schedule A**

This following schedule is for capital assets acquired in new condition. Refer to the Addendum to Schedule A (Subsection 30.50.10.b) for energy efficiency equipment and products.

Major Group	Class Code	Descriptive Title	Useful Life
A0		**Land**	**Not Calculated**
	A100	Uplands	
	A200	Beds of Navigable Water	
	A300	Shorelands	
	A400	Tidelands	
	A500	Harbor Areas	
01		**Transportation Infrastructure (Modified Approach) Operated by the Department of Transportation**	**Not Calculated**
	0110	State Highway System	
02	**0200**	**Construction In Progress**	**Not Calculated**
03		**Art Collections, Library Reserve Collections, Museum and Historical Collections (Inexhaustible), and Intangible Assets with Indefinite Useful Lives**	**Not Calculated**
	0300	Art Collections, Library Reserve Collections, and Museum and Historical Collections (Inexhaustible)	
	0310	Intangible Assets with Indefinite Useful Lives (e.g. easements, mineral, timber, and water rights acquired separately from land, that have indefinite useful lives)	

Major Group	Class Code	Descriptive Title	Useful Life
04		**Infrastructure (Depreciable)**	
	0420	Having a Useful Life of	20 Years
	0425	Having a Useful Life of:	25 Years
	0430	Having a Useful Life of:	30 Years
	0435	Having a Useful Life of:	35 Years
	0440	Having a Useful Life of:	40 Years
	0445	Having a Useful Life of:	45 Years
	0450	Having a Useful Life of:	50 Years
05		**Buildings/Components**	
	0505	Having a Useful Life of:	5 Years
	0510	Having a Useful Life of:	10 Years
	0515	Having a Useful Life of:	15 Years
	0520	Having a Useful Life of:	20 Years
	0524	Having a Useful Life of:	24 Years
	0525	Having a Useful Life of:	25 Years
	0527	Having a Useful Life of:	27 Years
	0530	Having a Useful Life of:	30 Years
	0535	Having a Useful Life of:	35 Years
	0540	Having a Useful Life of:	40 Years
	0545	Having a Useful Life of:	45 Years
	0500	Having a Useful Life of:	50 Years
06		**Improvements - Other Than Buildings (Includes Leasehold Improvements)**	
	0610	Having a Useful Life of:	3 Years
	0620	Having a Useful Life of:	5 Years
	0625	Having a Useful Life of:	8 Years
	0630	Having a Useful Life of:	10 Years
	0640	Having a Useful Life of:	15 Years
	0650	Having a Useful Life of:	20 Years
	0655	Having a Useful Life of:	25 Years
	0660	Having a Useful Life of:	30 Years
	0665	Having a Useful Life of:	35 Years
	0670	Having a Useful Life of:	40 Years
	0675	Having a Useful Life of:	45 Years
	0680	Having a Useful Life of:	50 Years

Major Group	Class Code	Descriptive Title	Useful Life
07		**Art Collections, Library Reserve Collections, and Museum and Historical Collections (Exhaustible) and Library Resources**	
	0703	Having a Useful Life of:	3 Years
	0705	Having a Useful Life of:	5 Years
	0708	Having a Useful Life of:	8 Years
	0710	Having a Useful Life of:	10 Years
	0715	Having a Useful Life of:	15 Years
	0720	Having a Useful Life of:	20 Years
	0725	Having a Useful Life of:	25 Years
	0730	Having a Useful Life of:	30 Years
	0735	Having a Useful Life of:	35 Years
	0740	Having a Useful Life of:	40 Years
	0745	Having a Useful Life of:	45 Years
	0750	Having a Useful Life of:	50 Years
10		**Weapons, Firearms, Signal Guns, and Accessories**	**5 Years**
	1005	Firearms and Accessories	
	1040	Chemical Weapons and Equipment	
	1095	Weapons, Miscellaneous (Signal Guns, Line-Throwing Equipment, Animal Control Devices, etc.)	
13		**Ammunition and Explosives Equipment**	**5 Years**
	1305	Ammunition, Reloading, and Gunsmithing Equipment	
	1350	Bomb Handling and Cryogenic Equipment	
	1375	Detonating Equipment	
15		**Aircraft, Fixed and Rotary Winged**	**6 Years**
	1510	Aircraft, Fixed Wing	
	1520	Aircraft, Rotary Winged	
16		**Aircraft Components and Accessories**	**5 Years**
	1680	Miscellaneous Aircraft Accessories and Components	

Major Group	Class Code	Descriptive Title	Useful Life
17		**Aircraft Support Equipment**	**5 Years**
	1730	Aircraft Ground Servicing Equipment	
	1740	Airfield Specialized Trucks, Trailers, and Lighting Equipment	
19		**Marine Vessels, Barges, and Docks (All, except otherwise indicated)**	**40 Years**
	1901	Passenger Only Vessels (Ferry Boats)	25 Years
		Passenger Vessel Components:	
	1902	Having a Useful Life of:	20 Years
	1903	Having a Useful Life of:	15 Years
	1904	Having a Useful Life of:	10 Years
	1905	Having a Useful Life of:	5 Years
	1906	Having a Useful Life of:	3 Years
	1910	Vehicle/Passenger Vessels (Ferry Boats)	40 Years
		Vehicle/Passenger Vessel Components:	
	1911	Having a Useful Life of:	30 Years
	1912	Having a Useful Life of:	25 Years
	1913	Having a Useful Life of:	20 Years
	1914	Having a Useful Life of:	15 Years
	1915	Having a Useful Life of:	12 Years
	1916	Having a Useful Life of:	10 Years
	1917	Having a Useful Life of:	5 Years
	1920	Fishing Vessels	
	1925	Vessels, Special Service (Tugs, Fire Boats, Tenders)	
	1930	Barges, Cargo	
	1935	Barges and Lighters, Special Purpose	
	1940	Small Craft, Powered and Unpowered	6 Years
	1945	Pontoons and Floating Docks	
	1950	Floating Dry Docks	
	1990	Miscellaneous Vessels	

Major Group	Class Code	Descriptive Title	Useful Life
20		**Marine and Ship Equipment**	**5 Years**
	2010	Ship and Boat Propulsion Equipment	
	2030	Deck Winches, Hoists, etc.	
	2050	Buoys	
	2060	Commercial Fishing Equipment	
	2090	Marine and Ship Furnishings, Equipment, and Miscellaneous	
22		**Railroad Equipment**	**40 Years**
	2240	Railroad Boxcars - Grain	
	2245	Railroad Passenger and Power Cars	
23		**Motor Vehicles, Trailers, Cycles and Combat Vehicles (All, except otherwise indicated)**	
		Vehicles (Autos, Vans, and Light Trucks) up to 10,000 lbs. GVW. Life is a function of the type of vehicle and the nature of vehicle use:	
	2308	Having a Useful Life of:	3 Years
	2309	Having a Useful Life of:	4 Years
	2310	Having a Useful Life of:	5 Years
	2311	Having a Useful Life of:	6 Years
	2312	Having a Useful Life of:	7 Years
	2313	Having a Useful Life of:	8 Years
	2314	Having a Useful Life of:	9 Years
	2315	Having a Useful Life of:	10 Years
		Vehicles, Medium and Heavy Duty (Trucks, Buses, and Special Purpose Vehicles) 10,000 lbs. GVW and over. Life is a function of the type of vehicle and the nature of the vehicle use:	
	2320	Having a Useful Life of:	10 years
	2321	Having a Useful Life of:	11 years
	2322	Having a Useful Life of:	12 Years
	2323	Having a Useful Life of:	13 Years
	2324	Having a Useful Life of:	14 Years

Major Group	Class Code	Descriptive Title	Useful Life
	2325	Having a Useful Life of:	15 Years
	2326	Having a Useful Life of:	20 Years
		Trailers, Cycles and Combat Vehicles	**5 Years**
	2330	Trailers, Cargo and Utility Including Semitrailers	
	2331	Trailers, Boat	
	2332	Trailers, Camp, Office, Mobile Home, etc.	
	2340	Motorcycles and Scooters	
	2350	Combat Vehicles, Tracked	
24		**Tractors: Crawler, Wheeled, and Track-Laying**	**10 Years**
	2410	Tractors, Crawler	
	2420	Tractors, Wheeled, Industrial	
	2421	Tractors, Wheeled, Farm-Type	
	2430	Tractors, Track-Laying (Snowcat, Snowmobile, Weasel, etc.)	
25		**Vehicular Equipment and Components**	**10 Years**
	2510	Cab, Body, and Frame Components	
	2530	Brake, Steering, Axle, and Wheel Assemblies	
	2540	Accessories (Canopies, Tool Boxes, Light Bars, etc.)	
	2590	Modifications (Cranes, Lifts, etc.)	
28		**Engines, Turbines, and Components**	**5 Years**
	2805	Engines, Gas, Automotive	
	2806	Engines, Gas, Marine	
	2807	Engines, Gas, Small Implement	
	2810	Engines, Aircraft	
	2815	Engines, Diesel, Automotive	
	2816	Engines, Diesel, Marine	
	2817	Engines, Diesel, Industrial	
	2830	Water Turbines/Water Wheels and Components	
	2835	Turbines, Jet Engines, Nonaircraft	
	2840	Turbines, Jet Engines, Aircraft	
	2850	Engines, Rotary, Gas and Components	
	2895	Engines, Miscellaneous and Components	

Major Group	Class Code	Descriptive Title	Useful Life
29		**Engine Components and Accessories**	**5 Years**
	2910	Fuel System Components, Gas	
	2940	Cleaners, Filters, and Strainers	
	2960	Engine Accessories, Diesel Heavy Equipment	
	2990	Engine Accessories, Nonaircraft Miscellaneous	
	2995	Engine Accessories, Aircraft Miscellaneous	
30		**Mechanically Powered Transmission Equipment**	**5 Years**
	3010	Torque Converters	
	3020	Gears, Pulleys, and Sprockets	
	3040	Power Transmission Equipment	
	3050	Hydraulic System Components	
32		**Woodworking Machinery and Equipment**	**5 Years**
	3210	Sawmill and Planing Mill Equipment	
	3220	Woodworking Machines	
	3230	Tools and Attachments for Woodworking Machinery	
34		**Metalworking Machinery and Welding Equipment**	**10 Years**
	3405	Saw and Filing Machines	
	3408	Machining Centers and Way-Type Machines	
	3410	Electrical and Ultrasonic Erosion Machines	
	3411	Boring and Broaching Machines	
	3413	Drilling and Tapping Machines	
	3414	Gear Cutting and Finishing Machines	
	3415	Grinding and Finishing Machines	
	3416	Lathes, Metalworking	
	3417	Milling Machines	
	3418	Planers and Shapers	
	3419	Miscellaneous Machine Tools and Accessories	
	3422	Rolling Mills and Drawing Machines	
	3424	Metal Heat Treating and Nonthermal Treating Equipment	
	3426	Metal Finishing Equipment	
	3431	Electric Welding Equipment and Accessories	
	3432	Welding Equipment, Engine Driven	
	3433	Gas Welding, Heat Cutting, and Metalizing Equipment	

Major Group	Class Code	Descriptive Title	Useful Life
	3438	Miscellaneous Welding Equipment and Accessories	
	3439	Miscellaneous Welding, Soldering, and Brazing Equipment	
	3441	Bending and Forming Machines	
	3442	Hydraulic, Pneumatic, and Mechanical Presses – Power and Manual	
	3445	Punching and Shearing Machines	
	3446	Forging Machinery and Hammers	
	3447	Wire and Metal Ribbon Forming Machines	
	3448	Riveting Machines, Power Operated	
	3450	Machine Tools, Portable and Secondary	
	3455	Cutting Tools, for Machine Tools	
	3460	Machine Tool Accessories	
	3465	Production Jigs, Fixtures, and Templates	
	3470	Machine Shop Sets, Kits and Outfits	
35		**Services and Trade Equipment – Laundry, Shoe, Sewing, Packaging, etc.**	**5 Years**
	3510	Laundry and Dry Cleaning Equipment	
	3520	Shoe Repair Equipment	
	3530	Industrial Sewing Machine	
	3540	Wrapping and Packaging Machinery	
	3550	Vending Machines	
	3551	Parking Meters, Turnstiles, and Fare Recording Devices	
	3590	Beauty and Barber Shop Equipment	
	3591	Plastic Laminating Presses	
	3595	Specialized Plastic Working Machines	
36		**Special Industrial Machinery – Food, Printing, Logging, Textile, etc.**	**6 Years**
	3605	Food Cannery Machinery and Equipment	
	3610	Printing Equipment	
	3611	Duplicating Equipment/Copy Equipment	
	3612	Binding Equipment	
	3625	Textile Industries Machinery	
	3655	Gas Generating Aero Dispensing Systems, Fixed or Mobile	
	3680	Foundry Machinery and Related Equipment	
	3694	Clean Work Station, Controlled Environment Equipment	
	3695	Specialized Logging Equipment	

Major Group	Class Code	Descriptive Title	Useful Life
37		**Agricultural Machinery and Equipment – Farm, Fishery, Pest Control, Garden, Irrigation, etc.**	**12 Years**
	3710	Soil Preparation Equipment	
	3720	Harvesting Equipment	
	3730	Dairy and Livestock Equipment	
	3731	Poultry Equipment	
	3732	Fish Hatchery Equipment	
	3740	Pest, Disease, and Frost Control Equipment	
	3750	Garden Implements (Mowers, Hedgers, etc.)	
	3751	Gardening Tools	
	3752	Irrigation Equipment – Sprinklers, Pipe, and Accessories	
	3755	Forestry Planting Tools	
	3770	Animal Furnishings and Equipment – Saddles, etc.	
38		**Construction, Mining, and Highway Maintenance Equipment**	**6 Years**
	3805	Earth Moving and Excavating Equipment	
	3810	Cranes and Crane Shovels	
	3815	Crane and Crane Shovel Attachments	
	3820	Mining, Quarrying, and Rock Drilling Equipment	
	3821	Rock Crushing Equipment	
	3825	Road Clearing and Cleaning Equipment	
	3826	Traffic Safety Devices	
	3827	Pavement Marking Equipment and Accessories	
	3828	Weed Burners and Brush Control Equipment	
	3830	Construction and Maintenance Equipment Attachments	
	3895	Miscellaneous Construction Equipment	
39		**Materials Handling Equipment**	**5 Years**
	3910	Conveyors	
	3920	Materials Handling Equipment, Not self-propelled	
	3930	Materials Handling Equipment, Warehouse Type, Self-Propelled	
	3940	Blocks, Tackle, Rigging, and Slings	
	3950	Winches, Hoists, Cranes, and Derricks	
	3960	Elevators and Escalators	
	3990	Miscellaneous Materials Handling Equipment	

Major Group	Class Code	Descriptive Title	Useful Life
41		**Refrigeration and Air Conditioning Equipment, Components and Accessories**	**13 Years**
	4110	Refrigeration Units and Accessories, Commercial	
	4111	Refrigeration Units and Accessories, Scientific	
	4112	Refrigeration Units and Accessories, Household	
	4119	Air Conditioning, Heating, and Ventilation Systems, Commercial	
	4120	Air Conditioning Units and Accessories, Commercial and Industrial	
	4121	Air Conditioning Units and Accessories, Household	
	4123	Air Conditioning Units and Accessories, Marine	
	4130	Refrigeration and Air Conditioning Plants and Components	
	4140	Fans and Air Circulators, Nonindustrial	
	4141	Industrial Fan and Blower Equipment	
42		**Fire Fighting Tools and Equipment**	**5 Years**
	4210	Fire Fighting Tools and Equipment	
	4211	Fire Extinguishers and Accessories	
	4220	Marine Life Saving Equipment	
	4221	Marine Diving and Salvage Apparatus and Equipment	
	4240	Safety and Rescue Equipment (Excluding Eye and Face Protection and Clothing)	
	4241	Safety and Rescue Equipment – Breathing Apparatus	
	4242	Safety and Rescue Equipment, Eye and Face Protectors	
43		**Pumps and Compressors**	**5 Years**
	4310	Compressors, Mounted and Unmounted	
	4320	Power and Hand Pumps	
	4330	Centrifugals, Separators, and Pressure and Vacuum Filters (Non-laboratory)	
44		**Furnaces, Steam Plants, Driers, and Air Purification Equipment**	**13 Years**
	4410	Industrial Boilers	
	4420	Heat Exchangers and Steam Condensers	
	4430	Industrial Furnaces, Kilns, Lehrs, and Ovens	

Major Group	Class Code	Descriptive Title	Useful Life
	4440	Driers, Dehydrators, and Anhydrators	
	4460	Air Purification Equipment	
	4465	Industrial Controls	
45		**Plumbing, Heating, and Sanitation Equipment**	**5 Years**
	4510	Plumbing Fixtures and Accessories	
	4515	Dispensers, All Types	
	4520	Space Heaters, Nonportable	
	4521	Space Heaters, Portable	
	4525	Water Heaters	
	4530	Fuel Burning Units and Accessories	
	4540	Miscellaneous Plumbing, Heating, and Sanitation Equipment	
46		**Water Purification and Sewage Treatment Equipment**	**5 Years**
	4610	Water Purification Equipment	
	4620	Water Distillation Equipment	
	4630	Sewage Treatment Equipment	
49		**Specialized Maintenance and Repair Shop Equipment**	**5 Years**
	4910	Motor Vehicle Maintenance and Repair Shop Equipment	
	4920	Aircraft Maintenance and Repair Shop Equipment	
	4925	Marine Maintenance and Repair Shop Specialized Equip.	
	4930	Lubrication Equipment and Accessories	
	4931	Fuel Dispensing Equipment and Accessories	
	4940	Miscellaneous Maintenance and Repair Shop Equipment	
51		**Hand Tools, Powered and Nonpowered**	**5 Years**
	5110	Hand Tools, Edged, Nonpowered	
	5120	Hand Tools, Nonedged, Nonpowered	
	5130	Hand Tools, Power Driven, Attachments	
	5136	Taps, Dies, and Collets – Hand and Machine	
	5140	Tool and Hardware Boxes	
	5180	Sets, Kits, and Outfits of Hand Tools	

Major Group	Class Code	Descriptive Title	Useful Life
52		**Measuring Tools and Gauges**	**5 Years**
	5210	Measuring Tools, Craftsmen's	
	5220	Inspection Gauges and Precision Layout Tools	
53		**Hardware, Abrasives, Locks and Packing**	**5 Years**
	5335	Screening	
	5340	Key-Duplicating Machines	
54		**Prefabricated, Portable Structures, Buildings and Scaffolding**	**50 Years**
	5410	Prefabricated, Portable Structures, and Buildings	
	5420	Bridges, Fixed and Floating	
	5430	Storage Tanks	
	5440	Scaffolding Equipment and Ladders	
	5445	Prefabricated Tower Structures	
	5450	Miscellaneous Prefabricated Structures	
58		**Communication, Recording, Reproducing, and Detection Equipment**	**7 Years**
	5805	Telephone and Telegraph Equipment, and Cell Phones	
	5810	Communications Security Equipment and Components	
	5815	Teletype and Facsimile Equipment	
	5820	Communications Equipment, Industrial and Commercial	
	5821	Radio and Television Communications Equipment, Airborne	
	5822	Communications Equipment, Public Safety: Audio and Video	
	5825	Radio Navigation Equipment, Nonairborne	
	5826	Radio Navigation Equipment, Airborne	
	5827	Global Navigation Satellite Systems (GPS – Global Positioning Systems)	
	5830	Intercommunications and Public Address Systems, Nonairborne	
	5831	Intercommunications and Public Address Systems, Airborne	
	5835	Sound Recording and Reproduction Equipment, Industrial and Professional (includes BETA,VHS, DVD, and Blu-ray Recorders; Video Cameras)	

Major Group	Class Code	Descriptive Title	Useful Life
	5840	Radar Equipment	
	5845	Underwater Sound Equipment and Accessories	
	5850	Audio Tape, Industrial and Professional	
	5851	Video Tape, Industrial and Professional	
	5855	Night Vision Equipment	
	5860	Stimulated Coherent Radiation Devices (Laser and Taser)	
	5865	Headsets, Handsets, Microphones, Speakers, etc.	
59		**Electrical and Electronic Components**	**5 Years**
	5940	Lugs, Terminals, and Terminal Strips, Electrical	
	5941	Boards, Terminal, Multi-application, Electronic	
60		**Fiber Optics Materials, Components, Assemblies, and Accessories**	**5 Years**
	6010	Fiber Optic Conductors	
	6030	Fiber Optic Devices	
	6070	Fiber Optic Accessories	
61		**Electric Wire, Power, and Distribution Equipment, Batteries, and Generators**	**5 Years**
	6105	Motors, Electrical	
	6110	Electrical Control Equipment Switchgear, Servomechanisms, etc.	
	6115	Generators and Generator Sets, Electrical	
	6118	Solar, Thermal, and Nuclear Power Equipment	
	6120	Transformers, Distribution and Power Station	
	6125	Converters, Electrical, Rotating	
	6130	Converters, Electrical, Nonrotating	
	6135	Batteries, Dry Cell	
	6141	Batteries, Wet Cell, Industrial and Electric Vehicles	
	6150	Miscellaneous Electric Power and Distribution Equipment	
62		**Lighting Fixtures and Lamps**	**5 Years**
	6210	Lighting Fixtures, Indoor	
	6211	Lighting Fixtures, Outdoor	
	6230	Portable Electric Lighting Equipment	
	6290	Flying Insect Control	

Major Group	Class Code	Descriptive Title	Useful Life
63		**Alarm and Signal Systems**	**10 Years**
	6310	Traffic and Transit Signal Systems	
	6350	Alarm and Signal Systems, Commercial	
65		**Medical, Dental, and Veterinary Equipment**	**12 Years**
	6515	Medical and Surgical Instruments and Equipment	
	6516	Orthopedic Equipment	
	6517	Ophthalmological, Refraction, and Audiometry Equipment	
	6518	Veterinary Equipment	
	6520	Dental Instruments and Equipment	
	6525	X-ray Equipment, Medical, Dental, and Veterinary	
	6530	Hospital Equipment	
	6533	Patient Mobilization Aids	
	6534	Stretchers and Litters	
	6535	Sterilizing Equipment and Accessories	
	6540	Opticians Instruments and Equipment	
	6545	Medical Sets, Kits, and Outfits	
66		**Instruments and Laboratory Equipment**	**5 Years**
	6605	Navigational Instruments	
	6610	Flight Instruments	
	6615	Automatic Pilot Mechanisms and Airborne Gyro Components	
	6620	Engine Instruments	
	6625	Electrical Measuring and Testing Instruments (Ammeters, Voltmeters, etc.)	
	6626	Electronic Measuring and Testing Instruments	
	6630	Equipment, Instruments, and Devices, Laboratory	
	6635	Physical Properties Testing Equipment	
	6636	Environmental Chambers and Related Equipment	
	6640	Laboratory Supplies	
	6641	Laboratory Furniture	
	6643	Agriculture Laboratory and Field Testing Equipment	
	6645	Time Measuring Instruments (Clocks, Watches, and Movements)	
	6650	Optical Instruments, Laboratory	
	6651	Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders	

Major Group	Class Code	Descriptive Title	Useful Life
	6655	Geophysical and Astronomical Instruments	
	6660	Meteorological Instruments and Apparatus	
	6665	Hazard Detecting Instruments and Apparatus	
	6670	Scales and Balances, Commercial and Household	
	6671	Scales, Postal	
	6672	Scales and Balances, Laboratory	
	6675	Drafting, Surveying, and Mapping Instruments	
	6680	Liquid and Gas Flow, Liquid Level, and Mechanical Motion Measuring Instruments	
	6681	Speedometers and Tachometers	
	6682	Regulators and Gauges, Medical	
	6685	Pressure, Temperature, and Humidity Measuring and Controlling Instruments	
	6695	Combination and Miscellaneous Instruments	
67		**Photographic, Projecting, and Microfilm Equipment**	**6 Years**
	6710	Cameras, Motion Picture	
	6720	Cameras, Still Picture	
	6730	Photographic Projection Equipment	
	6740	Photographic Developing and Finishing Equipment	
	6750	Photographic Supplies	
	6760	Photographic Equipment and Accessories	
	6770	Films Processed for Commercial and Industrial Use	
	6780	Film Processing	
	6790	Micrographic Equipment	
	6791	Micrographic Supplies	
	6793	Micrographic Unitizing Equipment and Accessories	
69		**Training Aids and Devices**	**5 Years**
	6905	Multimedia Systems	
	6910	Training Aids, Medical	
	6911	Audiotape, Training	
	6914	Slides, Training	
	6918	Flight Training Aids and Devices	
	6920	Overhead Transparencies, Training	
	6921	Videotapes, DVDs, Blu-rays, Training	
	6925	Targets	

Major Group	Class Code	Descriptive Title	Useful Life
	6930	Vehicle Training Aids and Devices	
	6935	Robots for Training	
	6940	Communications Training Devices, For The Handicapped	
	6950	Miscellaneous Training Aids and Devices	
70		**Information Technology (IT) Equipment**	
	7010	Main Frame Computer Systems	5 Years
	7011	Servers	5 Years
	7012	Desktop Computers (PCs)	4 Years
	7013	Laptops and Notebook Computers	4 Years
	7014	Tablets and Smart Phones	2 Years
	7015	Front End Communications Processors	7 Years
	7016	Data Processing Terminals	6 Years
	7017	Data Communications Equipment (Multiplexers, Modems, Routers, Hubs, and Switches)	6 Years
	7025	Input/Output and Storage Devices - Tape	6 Years
	7026	Input/Output and Storage Devices - Disk (Laser and Magnetic)	6 Years
	7027	Input/Output and Storage Devices - Other	5 Years
	7033	Multifunction Devices (Copier, Fax, Scanner, Printer)	5 Years
	7034	Plotters	5 Years
	7035	Other IT Accessorial Equipment and Components (Scanners, Data Displays, etc.)	5 Years
	7037	Monitors	5 Years
	7038	Laser Printers	6 Years
	7039	Impact and Other Printers	6 Years
	7042	Mini/Microcomputer Systems (Used primarily to control larger systems such as heating, A/C, etc.)	5 Years
	7060	Test and Monitor Equipment	5 Years
71		**Furniture, Fixtures, and Accessories**	**10 Years**
	7105	Household Furniture	
	7110	Office Furniture, Desk, Chairs, etc.	
	7111	Mail Room Furniture and Equipment	
	7112	School Furniture	
	7115	Hospital Furniture	
	7116	Furniture, Critical Environment (Prisons, etc.)	

Major Group	Class Code	Descriptive Title	Useful Life
	7120	Furniture Fabrication and Repair Supplies	
	7125	Cabinets, Lockers, Bins, and Shelving	
	7126	Auditorium and Theater Furniture	
	7127	Library Furniture	
	7195	Miscellaneous Furniture and Fixtures	
72		**Household and Commercial Furnishings and Appliances**	**7 Years**
	7231	Awnings	
	7240	Containers, Utility, Commercial	
	7241	Containers, Utility, Household	
	7290	Miscellaneous Household and Commercial Furnishings and Appliances (Fireplace Sets, Hair Dryers, Washers, Dryers, Compactors, Sewing Machines, Irons, etc.)	
73		**Food Preparation and Serving Equipment**	**5 Years**
	7310	Food Cooking, Baking, and Warming Equipment, Commercial	
	7311	Food Cooking, Baking, and Warming Equipment, Household	
	7320	Kitchen Equipment and Appliances, Commercial	
	7321	Kitchen Equipment and Appliances, Household	
	7330	Kitchen Utensils	
	7352	Vacuum Containers and Chests	
74		**Office, Visible Record, and Word Processing Equipment**	**5 Years**
	7420	Accounting and Calculating Machines	
	7430	Typewriters and Office Type Composing Machines	
	7435	Word Processing Equipment and Accessories (Includes mini and micro computers specifically designed for Word Processing purposes)	
	7450	Office Type Sound Recording and Reproducing Machines	
	7460	Visible Records Equipment	
	7490	Miscellaneous Office Machines (Coin Counters, Collators, Cash Registers, etc.)	

Major Group	Class Code	Descriptive Title	Useful Life
77		**Musical Instruments, Televisions, and Household Recordings**	**5 Years**
	7710	Musical Instruments	
	7720	Musical Instrument Parts and Accessories	
	7730	Television Sets, DVD Players, Blu-ray Players, and Video Cameras, (home type)	
	7740	Recordings, Entertainment	
	7742	Video Tapes, DVDs, Blu-rays, Entertainment	
78		**Recreational and Athletic Equipment and Toys**	**5 Years**
	7810	Athletic and Sporting Equipment	
	7820	Games, Toys, and Wheeled Goods	
	7830	Gymnastic Equipment	
	7831	Playground Equipment	
	7832	Game Room Equipment, Pool and Billiard Tables, and Bowling Equipment	
79		**Cleaning Equipment**	**5 Years**
	7910	Floor Polishers, Scrubbers, and Accessories	
	7912	Vacuum Cleaners, Carpet Sweepers, and Accessories	
80		**Computer Software, Land Use Rights, Patents, Trademarks, Copyrights, and Other Intangible Assets with Definite Useful Lives**	
		Computer Software	
	8010	Having a Useful Life of:	3 Years
	8011	Having a Useful Life of:	5 Years
	8012	Having a Useful Life of:	12 Years
	8013	Having a Useful Life of	15 Years
		Land Use Rights	
	8020	Having a Useful Life of	3 Years
	8021	Having a Useful Life of	5 Years
	8022	Having a Useful Life of	12 Years

Major Group	Class Code	Descriptive Title	Useful Life
		Patents, Trademarks, Copyrights	
	8030	Having a Useful Life of	3 Years
	8031	Having a Useful Life of	5 Years
	8032	Having a Useful Life of	20 Years
	8033	Having a Useful Life of	25 Years
	8034	Having a Useful Life of	50 Years
		Other Intangible Assets with Definite Useful Lives	
	8040	Having a Useful Life of	3 Years
	8041	Having a Useful Life of	5 Years
	8042	Having a Useful Life of	12 Years
83		**Textile, Leather, Tents, and Flags**	**10 Years**
	8340	Tents, Tarpaulins, and Canvases	
	8345	Flags and Pennants	
99		**Signs, Arts and Crafts, and Church Equipment**	**5 Years**
	9905	Advertising Signs and Identification Plates	
	9906	Highway Signs	
	9909	Sign Making Machines and Accessories	
	9910	Arts and Crafts Supplies	
	9915	Collectors' Items	
	9925	Ecclesiastical Equipment	
	9930	Cemetery Equipment	

30.50.10.b **Addendum to Schedule A – Energy Efficiency Equipment and Products**

The following schedule is based on the American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) and Northwest Power and Conservation Council standards. This separate useful life schedule is for energy efficiency equipment and products only.

Major Group	Class Code	Descriptive Title	Useful Life
41		**Refrigeration and Air Conditioning Equipment, Components and Accessories**	
	4110	Refrigeration units and accessories, commercial	
		Chiller: reciprocating	20 Years
		Chiller: centrifugal or absorption	23 Years
		Condensers: air-cooled or evaporative	20 Years
	4119	Air conditioning, heating, and ventilation systems, commercial	
		Coils: DX, water, stream	20 Years
		Coils: electric	15 Years
		Cooling tower: wood or galvanized metal	22 Years
		Cooling tower: ceramic	34 Years
		Window unit air conditioner	10 Years
		Residential packaged or split	15 Years
		PTAC	15 Years
		Water cooled air conditioning	15 Years
		Residential air to air heat pump	15 Years
		Commercial air to air heat pump	15 Years
		Commercial water to air heat pump	19 Years
		Roof-top single-zone air conditioners	15 Years
		Roof-top multi-zone air conditioners	15 Years
		Gas or oil furnaces	18 Years
		Unit heaters: gas or electric	13 Years
		Unit heaters: hot water or steam	20 Years
		Radiant heaters: electric	13 Years
		Radiant heaters: hot water or steam	25 Years
		Induction and fan coil units	27 Years
		VAV and double-duct boxes	20 Years
		Ductwork	30 Years
	4140	Fans and air conditioners, nonindustrial	
		Fans: centrifugal	25 Years
		Fans: axial	20 Years

Major Group	Class Code	Descriptive Title	Useful Life
		Fans: propeller	15 Years
		Ventilating: roof mounted	20 Years
43		**Pumps and Compressors**	
	4320	Power and hand pumps	
		Pumps: base mounted	20 Years
		Pumps: in-line or sump	15 Years
44		**Furnaces, Steam Plants, Driers, and Air Purification Equipment**	
	4410	Industrial boilers	
		Steel water-tube boiler	24 Years
		Steel fire-tube boiler	25 Years
		Cast iron boiler	35 Years
		Electric boiler	15 Years
		Burners	21 Years
	4420	Heat exchangers and steam condensers	
		HX shell and tube	24 Years
61		**Electric Wire, Power, and Distribution Equipment, Batteries, and Generators**	
	6105	Motors, electrical	
		Motors, electrical	18 Years
		Motor starters	17 Years
		Controls: pneumatic	20 Years
		Controls: electric	16 Years
		Controls: electronic	15 Years
		Valve actuators	10 Years
62		**Lighting Fixtures and Lamps**	
	6210	Lighting fixtures, indoor	
		Lighting fixtures, indoor	12 Years
		Lighting indoor controls	12 Years
	6211	Lighting fixtures, outdoor	
		Lighting fixtures, outdoor	12 Years
		Lighting outdoor controls	12 Years

30.50.20 Schedule B - Location (county) codes

July 1, 2001

County	Code
Adams	01
Asotin	02
Benton	03
Chelan	04
Clallam	05
Clark	06
Columbia	07
Cowlitz	08
Douglas	09
Ferry	10
Franklin	11
Garfield	12
Grant	13
Grays Harbor	14
Island	15
Jefferson	16
King	17
Kitsap	18
Kittitas	19
Klickitat	20
Lewis	21
Lincoln	22
Mason	23
Okanogan	24
Pacific	25
Pend Oreille	26
Pierce	27
San Juan	28
Skagit	29
Skamania	30
Snohomish	31
Spokane	32
Stevens	33
Thurston	34
Wahkiakum	35
Walla Walla	36
Whatcom	37
Whitman	38
Yakima	39
Out-of-State	40

This page intentionally left blank.

Chapter 35 - Inventories

35.10 Inventories

35.10.10	Policies in this chapter are minimum standards	May 1, 1999
35.10.15	Authority for these policies	May 1, 1999
35.10.20	Applicability	May 1, 1999
35.10.25	Agency responsibilities	June 1, 2014
35.10.35	Agencies may select among inventory alternatives	May 1, 1999
35.10.40	Reporting requirements for inventories	June 1, 2014
35.10.45	Inventory valuation methods	June 1, 2005
35.10.50	Inventory systems	May 1, 1999
35.10.55	Who should conduct the physical inventory?	May 1, 1999
35.10.60	Physical inventory instructions	May 1, 1999
35.10.65	Physical inventory reconciliation and documentation	May 1, 1999
35.10.70	Retaining inventory records	May 1, 1999
35.10.75	Lost or stolen property	May 1, 1999

This page intentionally left blank.

35.10
Inventories

35.10.10 Policies in this chapter are minimum standards

May 1, 1999

The purpose of an inventory system is: 1) to provide control and accountability over inventories, and 2) to gather and maintain information needed for the preparation of financial statements.

The policies and procedures in this chapter are the minimum requirements for inventories that state agencies must meet. An agency may maintain its inventory system in greater detail, or use additional supporting documentation, as long as the agency meets the required minimum standards.

35.10.15 Authority for these policies

May 1, 1999

The Office of Financial Management (OFM) is required by the Budget and Accounting Act (RCW 43.88.160(1)) to establish a Generally Accepted Accounting Principles (GAAP)-based accounting system and procedures to ensure the state's assets, including inventories, are properly accounted for.

35.10.20 Applicability

May 1, 1999

All agencies of the state of Washington must comply with this chapter, unless otherwise exempted by statute. RCW 43.88.020 defines the term "Agency" to mean and include "every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided."

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

35.10.25 Agency responsibilities

June 1, 2014

The agency head must designate, in writing, one or more Agency Inventory Officers to be responsible for maintaining and safeguarding the agency's inventories. These responsibilities include:

- Selecting appropriate inventory accounting methods and systems from acceptable alternatives (refer to Subsection 35.10.35 and Section 85.56);
- Developing and implementing policies and procedures to safeguard, control, and account for inventories;
- Defining inventory control point in the agency's written internal policies;
- Planning, conducting, and reconciling the physical inventory with inventory records;
- Documenting selected inventory valuation methods;
- Documenting physical inventory procedures; and
- Performing other duties necessary to account for and report inventories.

35.10.35 Agencies may select among inventory alternatives

May 1, 1999

This chapter, in conjunction with Section 85.56, offers alternatives for the accounting and reporting of inventories. Agencies may:

1. Adopt an inventory valuation method from the methods defined in Subsection 35.10.45,

2. Use either the periodic or perpetual inventory system as defined in Subsection 35.10.50, and

3. Use either manual or automated inventory systems.

Refer to Section 85.56 for instructions on accounting for inventories by fund type.

35.10.40 Reporting requirements for inventories

June 1, 2014

35.10.40.a All merchandise, livestock, and donated inventories must be physically counted, valued, and recorded in the general ledger.

35.10.40.b Consumable inventories must be physically counted, valued, and recorded in the general ledger when the fiscal year-end balance on-hand at an inventory control point exceeds $50,000. In calculating the balance on-hand, agencies may exclude those items sometimes referred to as bench stock items-- (characterized by high turnover rate and extremely low unit cost) such as nuts, bolts, screws, washers, etc.--as defined in writing by the agency inventory officer.

35.10.45 Inventory valuation methods

June 1, 2005

35.10.45.a Donated consumable inventories are to be recorded at fair value. Except as noted above, an agency may select different inventory valuation methods for different inventories. The selected methods must be applied consistently to the inventories for which they are chosen. Agencies must document the method(s) selected for accounting and reporting for inventories to help ensure it is consistently applied.

35.10.45.b Agencies must include changes in inventory valuation methods, and the financial effects of those changes on an agency's financial statements, in fiscal year end financial disclosures reported to OFM.

Acceptable inventory valuation methods include:

35.10.45.c **First-in, First-out (FIFO)** - This method allocates costs on the assumption that goods are consumed/sold in the order in which they were acquired. In other words, the first goods purchased are assumed to be the first used or sold. Thus, inventory on-hand is assumed to represent the most recent acquisitions.

35.10.45.d **Last-in, First-out (LIFO)** - This method allocates costs on the assumption that the last units acquired are the first units consumed/sold. Thus, inventory on-hand is assumed to come from earlier acquisitions.

35.10.45.e **Weighted Average (W.A.)** – In general, this method values ending inventory based on the average cost per unit for the period.

35.10.45.f **Other** - An agency may use an inventory valuation method other than those described above as defined in writing by the agency inventory officer.

35.10.50 Inventory systems

May 1, 1999

35.10.50.a **Perpetual Inventory System** - A perpetual inventory system is one in which the inventory quantities and values for all purchases and issues are recorded directly in the inventory system as they occur. Perpetual inventory system balances are verified by means of periodic physical counts. A revolving physical count, where segments of inventories are counted at different times, may be used, provided all inventories are counted at least every other fiscal year.

The agency inventory officer is responsible for developing and implementing procedures for recording inventory additions as received and reductions as used.

35.10.50.b **Periodic Inventory System** - A periodic inventory system avoids the necessity of accounting for each addition to and deletion from inventory. Instead, the agency performs a physical count of its inventory at least annually at fiscal year end. It then costs the inventory according to generally accepted accounting principles, and adjusts the accounting records to reflect this cost. When this system is used, the agency must maintain a system for documenting the inventory unit costs used in determining the cost.

35.10.55 Who should conduct the physical inventory?

May 1, 1999

The physical inventory, or inventory count, should be performed by persons with no direct responsibility (custody and receipt/issue authority) for the inventory. If it is not feasible to use such personnel for any part of the inventory, those parts are, at least, to be tested and verified by a person with no direct responsibility for the stock.

35.10.60 Physical inventory instructions

May 1, 1999

Physical inventory instructions must be documented and distributed to those personnel involved in the physical count. They should be specific and anticipate as many questions as possible considering the circumstances of the inventory.

35.10.65 Physical inventory reconciliation and documentation

May 1, 1999

35.10.65.a **Perpetual inventory** records must be reconciled with the physical count. The agency must investigate and explain differences, take corrective action when necessary, and adjust the accounting records per Section 85.56. When the reconciliation is complete, the agency inventory officer must certify in writing that the inventory was verified by counting and reconciliation.

35.10.65.b Under the **periodic inventory** system, the physical inventory listing resulting from the physical count constitutes adequate documentation of the inventory. After the count is complete, the process is one of calculation rather than reconciliation. The inventory units are to be assigned a cost according to the method selected, the total cost of the inventory is to be calculated, and the appropriate accounting adjustments are to be made as per Section 85.56. The agency inventory officer must certify in writing that the inventory was verified by an actual count.

35.10.70 Retaining inventory records

May 1, 1999

The inventory reconciliation and certification must be retained by the agency as documentary support for its inventory. The agency should retain this documentation in accordance with agency-approved records-retention schedules.

35.10.75 Lost or stolen property

May 1, 1999

When suspected or known losses of inventories occur, agencies should conduct a reasonable search for the missing inventory. If the missing items are not found:

- Follow the loss procedures identified in Section 70.75, and
- Remove the lost or stolen items from the inventory and accounting records.

This page intentionally left blank.

Chapter 40 - E-Commerce: Electronic Acceptance and Disbursement of State Funds/Benefits

40.10 General Provisions

40.10.10	Policies in this chapter are minimum standards	July 1, 2010
40.10.20	Authority for these policies	Oct. 1, 2016
40.10.30	Applicability	July 1, 2010
40.10.40	Responsibilities of the Office of Financial Management	July 1, 2010
40.10.50	Responsibilities of the Office of State Treasurer	July 1, 2010

40.20 Acceptance of Electronic Funds by State Agencies

40.20.10	Methods of electronic funds acceptance	July 1, 2010
40.20.15	Automated clearing house transfers	July 1, 2011
40.20.20	Credit cards and debit cards	July 1, 2010
40.20.30	Wire transfers, lockbox services, remote deposit services, and other electronic technologies	Oct. 1, 2011

40.30 Disbursement of Electronic Funds/Benefits by State Agencies

40.30.10	Methods of electronic funds disbursement	Oct. 1, 2016
40.30.15	Automated clearing house transfers	July 1, 2011
40.30.20	Wire transfers	July 1, 2010
40.30.30	Electronic benefit transfers, payroll cards, stored value cards, and other electronic technologies	Oct. 1, 2016
40.30.40	Purchase cards	Oct. 1, 2016
40.30.50	State travel cards	Jan. 1, 2012
40.30.60	Fuel cards	Jan. 1, 2012

40.40 Economic Feasibility Study

40.40.10	Purpose and components of an economic feasibility study	Oct. 1, 2011
40.40.20	Economic feasibility elements	Oct. 1, 2011
40.40.30	Business Case	Oct. 1, 2011
40.40.40	Cost Benefit Analysis	Oct. 1, 2011
40.40.50	Supporting documentation	Oct. 1, 2011
40.40.60	Steps to request approval from the Office of Financial Management	Jan. 1, 2012
40.40.70	Steps after approval is obtained	July 1, 2010

40.50 Privacy Issues

40.50.10	General provisions	June 1, 2014

40.10
General Provisions

40.10.10 Policies in this chapter are minimum standards

July 1, 2010

This chapter contains policies and requirements for the acceptance and/or disbursement by state agencies of state funds/benefits via electronic means, also referred to as electronic commerce (e-commerce). This includes, but is not limited to, credit cards and debit cards, purchase cards, automated clearing house (ACH) transfers, and electronic benefit transfers (EBTs).

The policies and procedures in this chapter are the minimum requirements that all state agencies must meet. An agency may establish additional policies and requirements, as long as the agency meets the required minimum standards.

40.10.20 Authority for these policies

October 1, 2016

40.10.20.a Pursuant to RCW 43.41.110(13) the Office of Financial Management (OFM) is the official state agency to estimate and manage the cash flow of all public funds and shall adopt such rules as are necessary to manage the cash flow of public funds.

40.10.20.b RCW 43.41.180 authorizes the Office of Financial Management to approve the electronic transfer of funds.

No state agency may use electronic or other technological means, including credit cards, without specific continuing authorization from the Office of Financial Management.

40.10.20.c As defined in RCW 43.08.015 the state treasurer shall take such actions as are necessary to ensure the effective cash management of public funds. This cash management shall include the authority to represent the state in all contractual relationships with financial institutions. The state treasurer may delegate cash management responsibilities to the affected agencies with the concurrence of the Office of Financial Management.

40.10.20.d Under RCW 43.88.160(5d) the Office of the State Treasurer (OST) shall coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization under RCW 43.41.180.

40.10.20.e Under RCW 39.26.090 the Department of Enterprise Services (DES) is to establish overall state policies, standards, and procedures regarding the procurement of goods and services by all state agencies, and develop policies and standards for the use of credit cards or similar methods to make purchases.

40.10.20.f RCW 28B.10.029 authorizes institutions of higher education to independently exercise certain powers otherwise granted to the director of DES.

40.10.20.g The Budget and Accounting Act, RCW 43.88.160(4)(a) requires that the director of the Office of Financial Management (OFM), as an agent of the governor, develop and maintain a system of internal controls. Refer to Chapter 20.

40.10.20.h Additionally, refer to Chapter 65 for information related to banking services, and RCW 39.58.080 for deposit of public funds.

40.10.30 Applicability

July 1, 2010

This chapter is applicable to all agencies of the state of Washington, unless otherwise exempted by statute or rule. The Budget and Accounting Act (RCW 43.88.020) defines the term "Agency" to mean and include "…every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board and commission, except as otherwise provided…"

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

40.10.40 Responsibilities of the Office of Financial Management

July 1, 2010

The Office of Financial Management (OFM) has the following responsibilities related to e-commerce activities by state agencies:

1. Develop administrative and accounting policies and procedures for acceptance and/or disbursement of state funds/benefits via electronic means.

2. Approve, prior to implementation, the project and its expansions, if appropriate, for acceptance and/or disbursement of state funds/benefits via electronic means when economically feasible. Approval is required for both pilot and permanent projects.

3. Provide assistance to agencies in preparing an economic feasibility study (EFS) for e-commerce activities. Agencies are encouraged to work closely with their assigned OFM Accounting Consultant and the OFM E-Government Accounting Consultant. Additional resources are available on OFM's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

4. Work with OST to respond to requests for fiscal information, as needed, on the electronic receipt and/or disbursement of funds/benefits by state agencies.

40.10.50 Responsibilities of the Office of the State Treasurer

July 1, 2010

The Office of the State Treasurer (OST) has the following responsibilities related to the electronic receipt and/or disbursement of funds/benefits by state agencies:

1. Negotiate master contracts or other contracts for receipts and disbursements by credit cards, debit cards, ACH transfers, or other electronic or technological means. Master contracts negotiated include, but are not limited to, depository and banking services, credit card and debit card acceptance, lockbox services, and ACH file processing. This responsibility may be delegated to agencies with OFM's concurrence. An agency delegated this responsibility should use its best efforts to minimize the financial impact of electronic transfers on the state agency, taxpayers, and the public who use its services. Refer to Chapter 65.

2. Work with OFM and state agencies in implementing new technologies for acceptance and/or disbursement of state funds/benefits via electronic means which include, but are not limited, to the following:

   - ACH transfers for both acceptance and disbursement of funds.
   - Credit cards and/or debit cards for acceptance of funds.
   - Remote deposit services for the deposit of checks to the state treasury or local bank accounts.
   - Stored value cards for disbursement of funds.

3. Advise agencies of new cash management techniques, practices, procedures, and other efficient methods of collecting and disbursing state money to ensure maximum return on state investments.

40.20
Acceptance of Electronic Funds by State Agencies

40.20.10 Methods of electronic funds acceptance
July 1, 2010

The acceptance of electronic funds includes all forms of receiving monies and/or payment information through electronic means.

These vehicles include, but are not limited to:

- Automated clearing house transfers
- Credit cards
- Debit cards
- Wire transfers
- Lockbox services
- Remote deposit services

40.20.15 Automated clearing house transfers
July 1, 2011

The preferred method for agencies accepting funds electronically is automated clearing house (ACH) transfers. This method is generally the least expensive method for accepting funds electronically, and works well for internet applications, recurring transactions, and one-time transactions.

Agencies are **required** to evaluate ACH as the primary option for accepting funds electronically.

ACH transfers through the Office of the State Treasurer (OST) **do not require** an economic feasibility study (EFS) to be submitted to the Office of Financial Management (OFM) for approval.

However, agencies are required to contact OST prior to implementing acceptance of ACH transfers:

- Prior approval from OST is required for any ACH deposited to the state treasury.

- If an entity (government or private) wishes to make payment to a state agency by ACH, the agency must provide its bank account information to the entity. Usually, the entity has a form that must be completed and returned before ACH payments can begin.

  For deposits to the state treasury, the agency should complete the agency-related information on the form and forward it to OST's Cash Management Section to complete the banking information.

  The form will then be returned to the agency to forward to the paying entity. This is necessary to ensure the funds are identified properly upon receipt and that the volume of receipts can be managed appropriately.

- Agencies planning to collect funds via ACH from a large number of customers (i.e., tax payments, license fees, etc.) must work with OST to determine the most appropriate and cost effective method for collection. This may include outsourcing the ACH file creation process to a third party vendor or assisting the agencies in developing systems to create their own ACH file and processing it through the state treasury, and if so, an **EFS is required**. Refer to Section 40.40 for information related to preparing an EFS. This process requires coordination and testing between the agency and OST.

- Acceptance of ACH into local accounts must be on the list of services in the master contract that has been negotiated by OST with the local bank. If it is not, contact OST to amend the contract. Refer to Chapter 65 for information related to banking services.

40.20.20 Credit cards and debit cards

July 1, 2010

Unless specifically authorized by law, all new projects to accept credit cards and/or debit cards **must be approved** by the Office of Financial Management (OFM) **prior to** implementation. This **requires** an economic feasibility study (EFS) to be submitted to OFM. Refer to Section 40.40 for information related to preparing an EFS.

If a project is limited to the acceptance of credit cards and/or debit cards, and does not include automated clearing house (ACH) transfers, the Business Case of the EFS is **required** to explain why ACH would not be a viable option for the agency's project.

Credit cards and/or debit cards may be processed either by retail methods or over the internet. Retail methods are also called point of sale and include transactions over the counter, through an interactive voice response system, over the phone, by fax, or by mail.

Expansions of existing processes **may require** approval by OFM as well. Agencies planning an expansion should contact their assigned OFM Accounting Consultant to determine if an EFS is needed.

State agencies accepting credit cards and/or debit cards must comply with Payment Card Industry – Data Security Standards (PCI-DSS) to safeguard cardholder data. Additional guidance is available on OFM's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

Each agency accepting credit cards and/or debit cards **must** reconcile its card activity daily.

Generally agencies may not accept credit cards, commonly referred to as purchase cards, from other state agencies.

Exceptions to this are as follows:

- When prior written approval is received from OFM based on the requirements in Subsection 40.40.10.
- When the paying and/or receiving account is a local account, and the receiving agency has agreed to accept the inter-agency purchase card payments.
- The Department of Transportation's Good To Go! prepaid toll accounts.

Refer to Subsection 85.36.20 for further information on methods of payment available for interagency payments.

40.20.30 Wire transfers, lockbox services, remote deposit services, and other electronic technologies

October 1, 2011

40.20.30.a In general, in addition to credit cards and/or debit cards, unless specifically authorized by law, all other forms of acceptance or electronic transfer of funds and/or payment information by state agencies **must be approved** by the Office of Financial Management (OFM) **prior to** implementation. This **requires** an economic feasibility study (EFS) to be submitted to OFM. Refer to Section 40.40 for information related to preparing an EFS.

Expansions of existing processes **may also require** approval by OFM. Agencies planning an expansion should contact their assigned OFM Accounting Consultant to determine if an EFS is needed.

If a project is limited to these other electronic technologies, and does not include automated clearing house (ACH) transfers, the Business Case of the EFS is required to explain why ACH would not be a viable option for their project.

40.20.30.b Electronic payment types where an EFS is **required** include, but are not limited to:

- **ACH transfers not performed directly through the Office of the State Treasurer (OST).** Any ACH transfer where the processing and settlement occur outside the state treasury.

- **Lockbox services.** Contact the OST Cash Management Section for information on services available through the Master Lockbox and Automated Remittance Advice Services Contract. A contract amendment is required to add a new agency or to change existing agency specific requirements. Lockboxes often have an electronic component. Contact OST and OFM to determine if an EFS approval is needed for the specific project.

- **Remote deposit services.** The use of imaging software to capture and transfer an image of a paper check to the bank for deposit. May also be referred to as Check 21 deposits. Contact OST's Cash Management Section regarding available contracts.

40.20.30.c Electronic payment types where an EFS is **NOT required** include, but are not limited to:

- **Wire transfers:**
  - Acceptance of wire transfers can be expensive and therefore should not be used routinely. Wire transfers can be processed into treasury and treasury trust accounts under special circumstances. Wires which are needed immediately and singular in nature do not require an EFS.

    However, agencies considering a recurring or routine wire transfer **must complete** an EFS, and the agency must work with OST to ensure that there is not a less expensive alternative available.

  - Acceptance of wire transfers into local accounts must be on the list of services in the master contract that has been negotiated by OST with the local bank. If it is not, contact OST to amend the contract. Refer to Chapter 65 for information related to banking services.

- **Inter-agency payments (IAP).** IAP is the preferred method to pay other state agencies or to allocate or transfer costs between accounts, programs, etc., within an agency when both the paying and receiving accounts are either treasury or treasury trust accounts.

- **Interfund transfers (IFT).** IFT is the preferred method in AFRS for transferring cash between treasury and/or treasury trust accounts within the same agency. IFT transactions are used during the fiscal year to allocate or transfer costs between accounts, within an agency when both the paying and receiving accounts are either treasury or treasury trust accounts. IFT transactions are not valid in the adjustment months of 99 and 25.

40.30 Disbursement of Electronic Funds/Benefits by State Agencies

40.30.10 Methods of electronic funds disbursement

October 1, 2016

The disbursement of electronic funds includes all forms of disbursing monies and/or payment information through electronic means.

These vehicles include, but are not limited to:

- Automated clearing house transfers
- Wire transfers
- Electronic benefit transfers
- Payroll cards
- Stored value cards
- State Purchase Card
- State Travel Card
- Fuel Cards

40.30.15 Automated clearing house transfers

July 1, 2011

The preferred method for agencies disbursing funds electronically is automated clearing house (ACH) transfers. This method is generally the least expensive method for disbursing funds electronically.

Agencies are **required** to evaluate ACH as the primary option for disbursing funds electronically.

An economic feasibility study (EFS) **is not required** to be submitted to the Office of Financial Management for approval for the following:

- Disbursement of funds by ACH through the Office of the State Treasurer (OST).

- Direct deposit (ACH) of employee's earnings. Refer to Subsection 25.70.20.

However, agencies are required to contact OST prior to implementing disbursement of ACH transfers:

- Agencies must coordinate with OST to ensure compliance with National Automated Clearing House Association (NACHA) rules.

- Agencies must ensure that all contract amendments needed on the Agreement for Concentration Account Services for treasury and treasury trust accounts have been made, or, if a local account is being utilized, ensure that disbursement by ACH is included in the list of services on the master contract negotiated by OST with the local bank.

- Coordination with OST for testing of the ACH file and other necessary procedures must also be undertaken.

Refer to Subsection 85.36.20 for additional information related to ACH disbursements. Refer to Chapter 65 for further information related to banking services.

40.30.20 Wire transfers

July 1, 2010

Disbursement by wire transfer can be expensive and therefore should not be used routinely. Wire transfers can be processed from treasury and treasury trust accounts under special circumstances. Wires which are needed immediately and singular in nature do not require an EFS.

However, agencies considering a recurring or routine wire transfer **must complete** an EFS, and the agency must work with OST to ensure that there is not a less expensive alternative available.

Disbursement by wire transfers out of local accounts must be on the list of services on the master contract negotiated by OST with the local bank. If it is not, contact OST to amend the contract. Refer to Chapter 65.

40.30.30 Electronic benefit transfers, payroll cards, stored value cards, and other electronic technologies

October 1, 2016

40.30.30.a In general, unless specifically authorized by law, agencies wishing to disburse funds/benefits via electronic benefit transfers (EBTs), stored value cards, or any other electronic technology **must receive approval** by the Office of Financial Management (OFM) **prior to** implementation.

Payroll cards and expansions of existing processes **may also require** approval by OFM.

40.30.30.b Electronic payment types where an economic feasibility study (EFS) **is required** include, but are not limited to:

- **Electronic benefit transfers (EBTs).** EBTs are a method for making disbursements to benefit recipients. EBT is similar in nature to a debit card. The recipient's benefits are encoded on a magnetic stripe card.

- **Stored value cards.** 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, flexible spending account cards, government benefit cards, etc. Contact OST's Cash Management Section regarding available contracts.

40.30.30.c Electronic payment types where an **EFS may be required** include, but are not limited to:

- **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 stored value card. Contact OST's Cash Management Section regarding available contracts. Refer to Section 25.70 for more information regarding employee payment options.

- **Expansions of existing processes.** Agencies planning an expansion should contact their assigned OFM Accounting Consultant to determine if an EFS is needed. Contact OST's Cash Management Section regarding available master contracts.

40.30.30.d Electronic payment types where an **EFS is NOT required** include, but are not limited to:

- **Inter-agency payments (IAP).** IAP is the preferred method to pay other state agencies or to allocate or transfer costs between accounts, programs, etc., within an agency or when both the paying and receiving accounts are either treasury or treasury trust accounts.

- **Interfund transfers (IFT).** IFT is the preferred method in AFRS for transferring cash between treasury and/or treasury trust accounts within the same agency. IFT transactions are used during the fiscal year to allocate or transfer costs between accounts, within an agency when both the paying and receiving accounts are either treasury or treasury trust accounts. IFT transactions are not valid in the adjustment months of 99 and 25.

- **Gift cards. Gift cards may be used by agencies as a convenient means for incentives or administering special programs.** The agency must ensure adequate internal controls are in place to safeguard the assets. Refer to Chapter 20 for more information on internal controls.

40.30.40 Purchase cards

October 1, 2016

40.30.40.a Requirements

Agencies may only use credit and/or debit cards issued through the state charge card system and the fuel card program authorized by the Department of Enterprise Services (DES), unless there is specific authority which authorized an agency to independently contract for purchase card services.

Agencies must follow the DES policies and procedures on the use of purchase cards.

Purchase cards are to be used within the same statutes, rules, policies, and procedures as purchases by any other means of payment.

Agencies must develop internal policies and procedures in line with the purchase card policies and procedures set by DES. Internal policy should include, but not limited to:

- Internal control requirements in line with SAAM Chapter 20 and DES's policies and procedures.

- The agency established purchase card reporting structure/hierarchy for the agency and ensuring proper separation of duties. For example, a card user may not be the reviewer or approving official for their own transactions.

- Consideration of the State ethics laws.

- Disciplinary procedures related to unauthorized use of cards and card renewal procedures.

40.30.40.b Restrictions

Agencies may not use the purchase card to pay other state agencies or to make payments between internal departments within an agency.

Exceptions to this are as follows:

- When prior written approval is received from the Office of Financial Management based on the requirements in Subsection 40.40.10, or

- When the paying and/or receiving account is a local account, and the receiving agency has agreed to accept the inter-agency purchase card payments, or

- The Department of Transportation's *Good To Go!* Prepaid toll accounts. Agencies should actively manage/monitor their *Good To Go!* account. Agencies may not auto-replenish accounts. When replenishing the account, agencies should not exceed one month's estimated usage.

40.30.40.c Rebate/incentive programs

Each agency should establish a policy for accounting for any rebates/incentives received from any merchants or the issuing bank. The policy should address the individual business needs of the agency and should cover how the rebates are to be recorded. Note that all merchant losses on agency accounts may be deducted by the issuing bank when determining agency rebate amounts. Therefore an agency should make a reasonable effort to ensure that unauthorized or disputed transactions are promptly reported.

Rebates should be recorded as either a recovery of expenditures or miscellaneous revenue depending on the timing of the receipt of the rebate and/or the source of funds expended for the purchase card transactions.

For further information on the state charge card system, refer to Subsection 10.10.45 or contact DES at (360) 902-7400.

For additional information related to disbursement mechanisms, refer to Subsection 85.36.20.

40.30.50 State travel cards

January 1, 2012

Agencies must follow the policies and procedures in Subsections 10.10.45, 10.30.60, and 10.50.40 on the use of state travel cards. No type of credit card and/or debit card other than the state charge card system and the fuel card program authorized by the Department of Enterprise Services (DES) may be used by agencies.

For further information on state travel cards, contact DES at (360) 902-7400.

40.30.60 Fuel cards

January 1, 2012

Agencies must follow the policies and procedures in Subsection 85.36.20 on the use of fuel cards. No type of credit card and/or debit card (including specific gas station credit cards) other than the state charge card system and the fuel card program authorized by the Department of Enterprise Services (DES) may be used by agencies.

For further information on the fuel card program, contact DES at (360) 902-7400.

40.40
Economic Feasibility Study

40.40.10
October 1, 2011

Purpose and components of an economic feasibility study

The purpose of an economic feasibility study (EFS) is to demonstrate the net benefit of a proposed project for accepting or disbursing electronic funds/benefits, taking into consideration the benefits and costs to the agency, other state agencies, and the general public as a whole.

The EFS is composed of **two required forms**:

- Business Case
- Cost Benefit Analysis

These forms are available on the Office of Financial Management's (OFM) E-Commerce Resources website at:
http://www.ofm.wa.gov/resources/ecommerce.asp.

The agency **must submit** its EFS and request for approval to OFM **prior to** accepting or disbursing electronic funds/benefits, except where noted in Sections 40.20 and 40.30. Approval from OFM is required for pilot and permanent projects, and both internet and retail projects. When completing the EFS, the agency should consider only those portions of the proposed project that are related to electronic payment processing.

If the project includes acceptance of credit cards and/or debit cards, the EFS must specify how funds/benefits will be accepted (such as, over the counter, via the internet, etc.). The EFS must also specify which card brands will be accepted (such as, VISA, MasterCard, Discover, American Express, etc.).

In addition, supporting documentation can provide additional detail on the elements and may be submitted with the EFS if necessary.

40.40.20 Economic feasibility elements

October 1, 2011

Economic feasibility elements include, but are not limited to:

- Increased agency revenue,
- Decreased agency revenue,
- Increased agency costs,
- Decreased agency costs,
- Increased revenue to other agencies and/or the general public,
- Decreased revenue to other agencies and/or the general public,
- Increased costs to other agencies and/or the general public,
- Decreased costs to other agencies and/or the general public, and,
- Other public benefits.

These items are to be described in detail in the Business Case, and the associated dollar amounts for these items included in the Cost Benefit Analysis. The elements for the agency should be separated from those of other state agencies and the general public so that the potential funding requirements can be discerned.

Additional guidance on economic feasibility elements is available on the Office of Financial Management's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

40.40.30 Business Case

October 1, 2011

The Business Case is to be submitted on the Business Case form. The Business Case form is available on the Office of Financial Management's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

The Business Case provides an analysis of the business environment including, but not limited to, a description of who the expected customers are, the nature of the business, how the payment is currently being processed, if applicable, and the current and expected volume and timing of transactions. The Business Case also presents the benefits of the proposed project.

The Business Case includes a description of the assumptions made in the economic feasibility analysis and the reasoning behind those assumptions.

If a project includes electronic payment methods other than ACH, the Business Case is **required** to explain why ACH would not be a viable option for the agency's project. Other alternative processes considered should be noted and the consequences of not implementing the proposed project are to be explained.

A summary of the agency's economic feasibility elements and the potential need for funding are to be included in the Business Case. A summary of the economic impact on other state agencies and the general public is also presented in the Business Case.

40.40.40 Cost Benefit Analysis

October 1, 2011

The Cost Benefit Analysis is presented on the Cost Benefit Analysis form. The Cost Benefit Analysis form is available on the Office of Financial Management's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

The Cost Benefit Analysis summarizes the revenues and costs involved with the proposed project. The amounts in the Cost Benefit Analysis should reflect the amounts and assumptions in the Business Case. An analysis summarizing the impact to the agency, other state agencies, and the general public is also included, as applicable.

40.40.50 Supporting documentation

October 1, 2011

If necessary, additional supporting documentation may be included with the EFS to support the Business Case and Cost Benefit Analysis.

40.40.60 Steps to request approval from the Office of Financial Management

January 1, 2012

1. Ensure that any project is authorized under RCW 43.88.160 (5). Refer to Subsection 40.10.20.d.

2. It is strongly recommended that the agency work together with its internal information services, program and accounting/fiscal staff, as well as the agency's assigned Office of Financial Management (OFM) Accounting Consultant and Budget Analyst to define the project, analyze its viability, and receive assistance in preparing an EFS.

Additional guidance is available on OFM's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

3. Consider conducting a survey or some other form of evaluation to help determine the needs and usage of the project by potential customers.

4. For new endeavors, consider undertaking a pilot project with limited scope, location and complexity to help determine its overall feasibility. Approval from OFM is required for both pilot and permanent projects.

5. If the electronic payment feature of the project can be separated from the entire project, the EFS should be prepared on the payment piece only.

6. Contact the OST Cash Management Section to discuss contracts, merchant IDs, equipment, software, and banking fees. Other banking agreements and applicable cash management laws should also be addressed. Refer to Chapter 65 for further information related to banking services.

7. Contact the Public Deposit Protection Commission to discuss any potential out of state banking issues and any other depository concerns. Refer to Subsection 65.10.10.c.

8. In addition to the EFS approval, agencies whose projects include investments in information technology may require additional approvals:

   - If an agency is proposing to invest in an agency financial or administrative system, a separate Systems Approval may be required. Refer to Subsection 80.30.88.

   - An additional approval from the Office of the Chief Information Officer (OCIO) and/or the Technology Services Board may also be required. Agencies should contact their assigned OCIO Senior Technology Consultant to determine if this additional approval is required.

9. Consult with the agency's Assistant Attorney General on any legal issues.

10. Prepare an EFS in conjunction with the agency's assigned OFM Accounting Consultant, the OFM E-Government Consultant, the OFM Budget Analyst, and OST. It is strongly recommended that agencies prepare and submit a draft EFS to OFM and OST for review and comment prior to submitting the final EFS for approval. Additional guidance is available on OFM's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

40.40.70 Steps after approval is obtained

July 1, 2010

1. For all projects, contact the Office of the State Treasurer, Cash Management Section.

2. Set up procedures to account for the processing fees and other banking costs associated with the electronic receipt and/or disbursement of funds. Unless otherwise provided by law, electronic payment processing and/or transaction fees may not be netted from revenues. Agencies operating in appropriated accounts are to record costs associated with the electronic receipt and/or disbursement of funds as expenditures. Such information should be readily available when requested.

3. Set up procedures to reconcile receipts with the amounts reported by outside entities.

4. If the project involves the internet, create an application design and test it prior to implementation.

5. Train personnel and market the project as appropriate.

6. Collect data on the actual usage, revenue, cost, etc., of the project. Such information is useful for determining ongoing economic feasibility.

40.50
Privacy Issues

40.50.10 General provisions

June 1, 2014

Agencies should develop policies and procedures to implement state and federal laws governing privacy protections. These laws pertain to both internet and non-internet electronic applications.

Privacy Notice: Safeguarding and disposition of personal information must be consistent with Executive Order 00-03, April 25, 2000; OCIO Policy 141; and RCW 42.56.210.

State agencies accepting credit cards and/or debit cards must comply with Payment Card Industry – Data Security Standards (PCI-DSS) to safeguard cardholder data. Additional guidance is available on OFM's E-Commerce Resources website at: http://www.ofm.wa.gov/resources/ecommerce.asp.

This page intentionally left blank.

Chapter 50 - Federal Compliance

50.10 Annual U.S. Information Returns

50.10.10	What are annual U.S. information returns?	July 1, 2012
50.10.20	The purpose of these guidelines	July 1, 2012
50.10.30	Key timeframes and publications	June 1, 2016
50.10.40	Taxpayer Information Numbers (TINs) are required	July 1, 2012
50.10.50	Common U.S. information returns	July 1, 2012
50.10.60	Federal training opportunities	June 1, 2016
50.10.65	1099 download application	June 1, 2016

50.20 Cost Allocation and Indirect Cost Recoveries

50.20.10	The purpose of these policies	Jan. 1, 2015
50.20.20	Authority for these policies	Jan. 1, 2015
50.20.30	Applicability	Jan. 1, 2015
50.20.50	About federal costs and cost allocation principles	Jan. 1, 2015
50.20.60	Washington's Statewide Central Services Cost Allocation Plan (SWCAP) is used to identify and assign central service costs	Jan. 1, 2015
50.20.62	Responsibilities of the Office of Financial Management	Jan. 1, 2015
50.20.65	Responsibilities of central, billed internal service activities	Jan. 1, 2015
50.20.70	Responsibilities of central, self-insurance fund activities	Jan. 1, 2015
50.20.75	Responsibilities of central, fringe benefits activities	Jan. 1, 2015
50.20.80	Responsibilities of agencies administering or expending federal awards	Jan. 1, 2015
50.20.85	Indirect costs in interagency situations	Jan. 1, 2015
50.20.90	Central services cost allocation illustrations	Jan. 1, 2015

50.30 Federal Single Audit Act

50.30.10	The purpose of these policies	Jan. 1, 2015
50.30.15	Authority for these policies	Jan. 1, 2015
50.30.20	Applicability	Jan. 1, 2015
50.30.25	About the revised Single Audit Act requirements	Jan. 1, 2015
50.30.35	Responsibilities of the Office of Financial Management	Jan. 1, 2015
50.30.40	Responsibilities of the Office of the State Auditor	Jan. 1, 2015
50.30.45	Responsibilities of state agencies administering or expending federal awards	Jan. 1, 2015
50.30.50	Basis of accounting to use with federal assistance transactions	Jan. 1, 2015
50.30.60	When to recognize federal assistance revenue	Jan. 1, 2015
50.30.70	Use the CFDA number to record federal activity	Jan. 1, 2015
50.30.80	Accounting for federal expenditures	July 1, 2015
50.30.85	Accounting for federal assistance activity between state agencies	Jan. 1, 2015
50.30.90	Accounting for federal assistance received from another nonfederal entity, other than another Washington State agency/institution (pass-through)	Jan. 1, 2015

50.40 Cash Management Improvement Act

50.40.10	Purpose of the Cash Management Improvement Act	July 1, 2005
50.40.20	The Treasury-State Agreement defines the drawdown methods to be used by agencies	Nov. 15, 2000
50.40.30	Federal assistance programs and state agencies subject to the CMIA	July 1, 2016
50.40.40	Responsibilities of the Office of Financial Management	July 1, 2005
50.40.50	Responsibilities of agencies that administer CMIA programs	July 1, 2002
50.40.60	How to calculate interest owed or due	July 1, 2005
50.40.70	Interest calculation costs of implementing the TSA are reimbursable	July 1, 2003
50.40.80	Responsibilities of agencies receiving federal funds, but not designated as CMIA programs	Nov. 15, 2000

50.50 Americans with Disabilities Act

50.50.10	Background	Oct. 1, 2005
50.50.20	Purpose	July 1, 2005
50.50.30	Applicability	July 1, 2005
50.50.35	Special definitions	Oct. 1, 2005
50.50.40	Choose barrier-free facilities for hearings, conventions, conferences, meetings and formal training sessions	Aug. 1, 2013
50.50.50	Use Accessible Facilities Checklist to help evaluate non-state sites for ADA compliance	Oct. 1, 2005
50.50.60	Criteria to meet the minimum access requirements	Oct. 1, 2005
50.50.70	Agency responsibilities in contracting for a barrier-free, non-state facility	Oct. 1, 2005
50.50.80	When a non-state facility turns out not to meet ADA access criteria	Oct. 1, 2005
50.50.90	How to get more information on ADA compliance	Aug. 1, 2013
50.50.95	How to file an ADA related complaint	Aug. 1, 2013

This page intentionally left blank.

50.10
Annual U.S. Information Returns

50.10.10 What are annual U.S. information returns?

July 1, 2012

In the course of state business activities, agencies make payments to others that must be reported to the federal government. Copies of information returns must be furnished to recipients for payments reported.

For payroll related payments, Internal Revenue Service (IRS) Forms W-2 are required to be transmitted to the Social Security Administration (SSA) accompanied by a Form W-3, Transmittal of Wage and Tax Statements. Payroll systems that send W-2 information to the SSA electronically use IRS Form 6559, Transmitter Report and Summary of Magnetic Media.

For non-payroll related payments, the most common annual information returns include Forms 1098 (1098, 1098-E, and 1098-T), Forms 1099 (1099-G, 1099-INT, 1099-MISC, 1099-Q, 1099-R, and 1099-S) and Form W-2G. These forms are transmitted to IRS with Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Non-payroll U.S. source income paid to foreign persons must be reported to the payee and IRS on IRS Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding.

50.10.20 The purpose of these guidelines

July 1, 2012

To ensure federal reporting compliance, agencies are to obtain current publications and advice from the IRS and the SSA as needed. Section 50.10 is provided for general informational purposes only, to alert agencies about compliance issues related to various reporting requirements of the IRS and SSA for annual U.S. Information Returns.

The Office of Financial Management does not provide tax advice. Agencies can obtain tax advice from the IRS, SSA, Office of the Attorney General, and/or outside tax counsel (paid for by the agency seeking tax advice).

50.10.30 Key timeframes and publications

June 1, 2016

50.10.30.a Annual information returns report payments for the calendar year and are generally to be mailed to recipients on or before January 31 of the ensuing year (except for Form 1042-S, due to recipients on or before March 15).

Due dates for filing with the federal government vary:

- Forms W-2 are due to the SSA on or before January 31.
- Forms 1099-MISC are due to the IRS on or before January 31, when nonemployee compensation is reported in Box 7. Otherwise, paper forms are due to the IRS by February 28 or, if filed electronically, by March 31.
- Forms 1042 are due to the IRS by March 15.

When 250 or more information returns are prepared by an agency, the IRS requires electronic filing. This requirement applies separately for each type of form.

50.10.30.b The IRS publication, General Instructions for Certain Information Returns, provides specific instructions on the filing requirements of these returns. This publication contains a Guide to Information Returns. This guide is a helpful quick reference for form numbers, titles, what to report, amounts to report, and due dates to the IRS and the recipient. The instructions are available on the IRS website at: http://www.irs.gov/instructions/.

Additional publications are available on the IRS website at: http://www.irs.gov/app/picklist/list/publicationsNoticesPdf.html.

Key publications include:

- Publication 15 (Circular E), Employer's Tax Guide
- Publication 15-A, Employer's Supplemental Tax Guide
- Publication 15-B, Employer's Tax Guide to Fringe Benefits
- Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities
- Publication 519, U.S. Tax Guide for Aliens
- Publication 901, U.S. Tax Treaties
- Publication 1141, General Rules and Specifications for Substitute Forms W-2 and W-3
- Publication 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns

50.10.30.c SSA Publication EFW2 provides specifications for Form W-2. IRS Publication 1220 provides specifications for electronically or magnetically filing Forms 1098, 1099, and W-2G.

For information on all SSA Form W-2 filing methods, forms, publications and other information, refer to the SSA website at: http://www.socialsecurity.gov/employer/pub.htm.

50.10.40 Taxpayer Information Numbers (TINs) are required

July 1, 2012

50.10.40.a **Required reporting**

The Taxpayer Information Number (TIN), name, and address of the recipient are required to be entered on the annual information forms for identification of U.S. payees. TINs include the Social Security Number (SSN) issued by the Social Security Administration (SSA), the Individual Taxpayer Identification Number (ITIN) issued by the Internal Revenue Service (IRS), or an Employer Identification Number (EIN) issued by the IRS.

For payroll reporting, the SSN is required. A Form W-4, Employee's Withholding Allowance Certificate is required to be completed and signed by an employee to obtain SSN information.

For non-payroll reporting for a U.S. individual or business, the TIN may be a SSN, ITIN, or EIN. The payee's TIN and business information can be documented using a properly completed IRS Form W-9, Request for Taxpayer Identification Number and Certification (or an acceptable substitute).

For non-payroll reporting for a foreign individual or business, the appropriate IRS forms include:

- Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding
- Form W-8ECI, Certificate of Foreign Person's Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States
- Form W-8EXP, Certificate of Foreign Government of Other Foreign Organization for United State Tax Withholding
- Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding

- Form W-8CE, Notice of Expatriation and Waiver of Treaty Benefits
- Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

50.10.40.b IRS penalties

Failure to report a TIN or correct TIN may result in penalties assessed by IRS. Refer to the IRS General Instructions for Forms W-2 and W-3 regarding Form W-2 penalties. For incorrect or missing TIN reporting penalties for other information returns, refer to the IRS General Instructions for Certain Information Returns.

50.10.40.c SSA SSN verification and IRS TIN matching programs

The Social Security Number Verification Service (SSNVS) is to be used only for verifying social security numbers (SSNs) related to payroll transactions. Payroll systems routinely use this service. The Social Security Administration (SSA) website includes an overview and the steps to register for the SSNVS at: http://www.ssa.gov/employer/ssnv.htm.

IRS Taxpayer Identification Number (TIN) matching is to be used for verifying TINs, including SSNs, related to non-payroll transactions. An overview of TIN matching is available on the IRS website at: https://www.irs.gov/Government-Entities/Indian-Tribal-Governments/Taxpayer-Identification-Number-%28TIN%29-On-Line-Matching. To register for TIN matching, go to the IRS website at: https://la.www4.irs.gov/e-services/Registration/index.htm.

In addition to verifying TINs when setting up statewide vendors, Consolidated Technology Services (CTS) conducts bulk verifications at certain times of the year. Agencies that process non-payroll payments outside of AFRS should conduct IRS TIN matching.

50.10.40.d When backup withholding is required

Backup withholding is a type of federal income tax *required* to be deducted from certain non-employee transactions under various circumstances, including when the payee fails to furnish a TIN number or provides an incorrect TIN number and will not correct it on a timely basis.

IRS Publication 1281, Backup Withholding For Missing and Incorrect Name/TIN(s) explains the requirements, IRS TIN match/mismatch process, and penalties that can be assessed.

If an agency encounters a situation where deduction of backup withholding is required, timely deposit to IRS of the federal income tax and annual reporting on IRS Form 945 are also required. These tax deposits may not be co-mingled with payroll tax deposits reported on quarterly Forms 941.

For information on how to deposit taxes via the Electronic Funds Tax Payments System, refer to the Office of the State Treasurer's website at: http://www.tre.wa.gov/cashManagement/eftpsInstructions.shtml.

50.10.50 Common U.S. information returns

July 1, 2012

The following are commonly required U.S. information returns. Refer to current calendar year IRS instructions for each form to obtain full reporting requirements. All IRS forms and instructions can be found at: http://www.irs.gov/app/picklist/list/formsInstructions.html.

50.10.50.a **Form W-2, Wage and Tax Statement**, is issued to report wages and taxable fringe benefits subject to federal income tax withholding, OASI, and/or Medicare employment taxes and all taxes actually withheld for a calendar year. Non-taxable moving expense reimbursements made directly to employees and the value of employer provided health insurance are also reportable.

Form W-2c, Corrected Wage and Tax Statement, is issued to correct errors on Forms W-2 and W-2c filed with the SSA. Agencies are encouraged to file Forms W-2c electronically. More information can be found on the SSA's website at: http://ssa.gov/employer.

50.10.50.b **Form 941, Employer's Quarterly Federal Tax Return**, is used to report the following to the IRS:

- Wages paid,
- Federal income tax withheld, and
- Employer and employee share of social security and Medicare taxes

Note: Certain employers must file **Form 941 (Schedule B)** along with Form 941. Refer to IRS Publication 15 (Circular E) for details.

Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund, is used to correct errors on previously filed Forms 941.

50.10.50.c **Form W-2G, Certain Gambling Winnings**, is used by the State Lottery Commission to report payments for lottery winnings of $600 or more to a winner and any required federal regular gambling withholding tax withheld from winnings.

50.10.50.d **Form 1098, Mortgage Interest Statement,** is required to be issued when an agency receives $600 or more in certain types of mortgage interest during the calendar year.

Form 1098-E, Student Loan Interest Statement, is required to be issued if an agency receives student loan interest of $600 or more from an individual during the calendar year.

Form 1098-T, Tuition Statement, is required to be issued by an eligible education institution to report qualified tuition and related expenses for each student. Exceptions apply.

50.10.50.e **Form 1099-G, Certain Government Payments**, is used to report certain government payments including:

- Unemployment compensation payments by the Employment Security Department.
- Certain federal taxable grants of $600 or more which are administered by the state.
- Amounts of federal income tax withheld under the backup withholding rules.

50.10.50.f **Form 1099-INT, Interest Income**, is generally *not* applicable to state governments because of the tax-exempt status for interest on obligations of a state or municipal government. However, if an agency has custody of or administers certain trust funds, there may be reporting requirements.

50.10.50.g **Form 1099-MISC, Miscellaneous Income,** is used to report a variety of miscellaneous transactions *generally* when the amount of the payment in a calendar year is $600 or more. If backup withholding has been taken, Form 1099-MISC must be filed, regardless of the payment amount. The most frequently encountered ones are noted below.

- Payments to estates or beneficiaries for deceased employees' wages, whether the payment to the recipient is made in the year of death or a subsequent year.
- Payments for rents.
- Payments for fees, services, commissions, or other forms of compensation to *persons* not treated as employees for services rendered. Examples are payments for professional service contracts and payments to witnesses or experts in legal adjudication.

- Payments to attorneys or gross payments to attorneys.
- Payments to physicians or other suppliers or providers of medical or health care services in connection with medical assistance programs, or health, accident, and sickness insurance programs.

Payments to corporations are generally *not* required to be reported except for medical payments and payments for legal services. Generally, payments made to tax-exempt organizations, such as other governmental agencies, social service agencies, and hospitals, are exempt from informational reporting requirements.

Reporting is required for most payments to individuals and partnerships. It is important to know whether the recipient of the payment is doing business as an individual, partnership, corporation, its specific business structure if it is a limited liability entity, and whether it is tax-exempt so that correct reporting can be completed.

50.10.50.h **Form 1099-Q, Payments from Qualified Education Programs**, is used by the Student Achievement Council to report distributions made from the Guaranteed Education Tuition (GET) Program.

50.10.50.i **Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.,** is used to report pension and retirement plan distributions of $10 or more, whether or not federal income tax is withheld. It is also used to report Internal Revenue Code Section 457 plan (deferred compensation) distributions and any income tax withheld.

50.10.50.j **Form 1099-S, Proceeds from Real Estate Transactions**, is used to report the sale or exchange of real estate.

50.10.50.k **Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding,** is used to report amounts paid during a calendar year to foreign persons who are subject to withholding even if no withholding amount is withheld due to a treaty or Code exception or if any amount withheld was repaid to the payee. Refer to the form instructions for which payments must be reported.

If required to file Forms 1042-S, **Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons**, must also be filed on an annual basis.

Agencies that report Forms 1042-S on paper must also file IRS **Form 1042-T, Annual Summary and Transmittal of Forms 1042-S**. Use of Form 1042-T does not affect the obligation to file Form 1042.

50.10.50.l **IRS Form 945, Annual Return of Withheld Federal Income Tax**, is used to report federal income tax withheld from non-payroll payments such as pensions and backup withholding. Refer to separate tax deposit requirements for Form 945 in the form instructions and IRS Publication 15 (Circular E).

50.10.60 Federal training opportunities

June 1, 2016

The reporting and backup withholding requirements of U.S. annual information returns are extensive and failure to comply with them can result in costly penalties.

Questions can be directed to IRS either by telephone or email per contact information provided in IRS publications. It is important that documentation of IRS advice be retained. If the response is by telephone, document the name and badge number of the person providing the advice in case questions arise at a later date.

The following resources may prove helpful:

- IRS tax information for federal, state, and local governments: http://www.irs.gov/Government-Entities/Federal,-State-&-Local-Governments
- IRS webinars for government employers: http://www.irsvideos.gov/Governments/Employers

There are also training classes available from various companies that focus on specific tax issues, such as international taxation, that may be beneficial to those agencies that encounter such types of issues.

50.10.65 1099 download application

June 1, 2016

Agencies accessing the 1099 download maintained by Consolidated Technology Services (CTS) must establish an effective system for management and control to secure the information. In addition, agencies are to restrict access to employees who need the download to perform their assigned duties. Before access is granted, an employee must sign a Non-Disclosure Agreement (NDA) that includes the following elements:

- As an employee of [agency], I have access to confidential data contained in the download, and I understand that I am responsible for maintaining its confidentiality.
- I have been informed and understand that data extracted from the download includes confidential data and may not be disclosed to unauthorized persons. I agree not to divulge, transfer (such as but not limited to, email, portable media, File Transfer Protocol (FTP), file location services), sell, or otherwise make known to unauthorized persons any data contained in this download.
- I also understand that I am not to access or use this data for my own personal information but only to the extent necessary and for the purpose of performing my assigned duties as an employee of [agency]. I understand that a breach of this confidentiality will be grounds for disciplinary action which may include termination of my employment and other legal action.
- I agree to abide by all federal and state laws, regulations, and policies regarding confidentiality and disclosure of the information in the download.

To get access to the download, follow the instructions at: http://watech.wa.gov/solutions/it-systems/1099-misc-reporting.

If an agency detects a breach in security related to download data, the agency is responsible to follow the steps for breach as described in RCW 42.56.590 and notify the Consolidated Technology Services (CTS) Chief Information Security Officer, CTS Security Operations Center and the Washington State Patrol Computer Crimes unit. Additionally, the agency is to notify the CTS Solutions Center within one business day of discovering the breach and to take corrective action as soon as practicable to eliminate the cause of the breach. CTS may request a full review of the agency's data security controls.

50.20
Cost Allocation and Indirect Cost Recoveries

50.20.10 The purpose of these policies
January 1, 2015

This section addresses billed and allocated central service cost recoveries related to federal assistance awards administered by state agencies. It also establishes state accounting and reporting policies regarding indirect cost recoveries in interagency situations.

50.20.20 Authority for these policies
January 1, 2015

This section is issued, as revised, pursuant to the authority granted to the Director of Financial Management to "… adopt and periodically update an accounting procedures manual" [RCW 43.88.160(1)].

50.20.30 Applicability
January 1, 2015

This part is applicable and binding on all agencies of the state of Washington administering or expending federal assistance, unless otherwise exempted by federal law or appropriate federal authority, and on all agencies involved in interagency situations. The Budget and Accounting Act (RCW 43.88.020) defines the term "Agency" to mean "Every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board, and commission, except as otherwise provided…"

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

50.20.50 About federal costs and cost allocation principles

January 1, 2015

50.20.50.a The United States Office of Management and Budget (OMB) has established uniform principles for determining the allowability of costs incurred by nonfederal entities expending federal awards. In addition, these principles provide requirements for the development and submission of cost allocation plans and indirect rate cost proposals. Many state agencies perform functions and activities that are associated with federal assistance programs or provide central service support to federal assistance programs. As such, they are subject to provisions of the cost principles applicable to their activities.

50.20.50.b Over the years, the federal OMB issued several circulars related to cost allocation. These circulars are effective for awards issued **before December 26, 2014**:

- A-21 Cost Principles for Educational Institutions
- A-87 Cost Principles for State, Local and Indian Tribal Governments
- A-122 Cost Principles for Non-Profit Organizations

Refer to the complete circulars listed above at: http://www.whitehouse.gov/omb/Circulars_default.

In 2013, **effective December 26, 2014**, the OMB issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) to clarify and streamline the federal guidance. The Uniform Guidance supersedes OMB Circulars: A-21, A-87, and A-122.

The Uniform Guidance (effective December 26, 2014) establishes principles and standards related to cost allocation and indirect costs:

1. Indirect (F&A) cost identification and assignment, and rate determination for institutions of higher education;

2. Indirect (F&A) cost identification and assignment, and rate determination for nonprofit organizations;

3. State/local government and Indian tribe-wide central service cost allocation plans;

4. Public assistance cost allocation plans; and

5. State and local government and Indian tribe indirect cost proposals.

50.20.60 Washington's Statewide Central Services Cost Allocation Plan (SWCAP) is used to identify and assign central service costs

January 1, 2015

Most governmental units provide certain services such as legal services, information technology services, and motor transportation to operating agencies on a centralized basis. Since federally supported awards are performed within the individual operating agencies, a process is necessary to identify these central service costs and assign them to benefited activities on a reasonable and consistent basis. The federally reviewed and approved, statewide central service cost allocation plan provides that process.

Two basic methods are used in the plan to assign appropriate costs of centralized services to operating agencies or their programs:

- **Billed Central Services** where allowable costs are billed to benefited agencies and/or programs on an individual fee for service or similar basis. Self-insurance and fringe benefit activities that bill customers for services or benefits provided are also considered central service activities.

- **Allocated Central Services** where services that benefit operating agencies and/or programs are not billed on a fee for service or similar basis but allowable costs are allocated to benefited agencies on some reasonable basis.

50.20.62 Responsibilities of the Office of Financial Management

January 1, 2015

The Accounting Division of OFM is responsible to prepare, submit, and negotiate the annual statewide central services cost allocation plan (SWCAP). One part of the SWCAP justifies and reconciles the activities of the billed state central services (internal service, self-insurance and fringe benefit). A second part allocates the allowable costs of other state central services benefiting agencies expending federal awards.

50.20.65 Responsibilities of central, billed internal service activities

January 1, 2015

State of Washington central, billed internal service activities have the following responsibilities:

1. Understand and adhere to the requirements of the Uniform Guidance.

2. Ensure that the following information is made available for inclusion in the state plan:

   - A current narrative description of the service;

   - A balance sheet;

   - A statement of revenue and expense with revenues broken out by source, e.g., regular billings, interest earned, etc.;

   - A listing of all non-operating transfers into and out of the account;

   - A description of the procedures (methodology) used to charge service costs to users including how billing rates are determined;

   - A schedule of current rates; and

   - A schedule comparing total revenues (including imputed revenues) generated by the service to the allowable costs of the service with an explanation of how variances will be handled. Revenues must include all revenues generated. If some users were not billed or not billed the full rate for the service, a schedule showing the full imputed revenues associated with these users must be provided. Expenses must be broken out by object categories.

50.20.70 Responsibilities of central, self-insurance fund activities

January 1, 2015

State of Washington central, self-insurance fund activities have the following responsibilities:

1. Understand and adhere to the requirements of the Uniform Guidance.

2. Ensure that the following information is made available for inclusion in the state central services plan:

   - A balance sheet;

   - A statement of revenue and expense including a summary of summary of billings and claims paid by;

   - A listing of all non-operating transfers into and out of the account;

   - A narrative description of the types of risks covered;

   - An explanation of how the level of contributions are determined, including a copy of the actuarial report (with the assumptions used) if the contributions are determined on an actuarial basis;

   - A description of the procedures used to charge or allocate contributions to benefited activities; and

   - An identification and explanation of reserve levels maintained in excess of claims [1] submitted and adjudicated but not paid, [2] submitted but not adjudicated, and [3] incurred but not submitted.

50.20.75 Responsibilities of central, fringe benefits activities

January 1, 2015

State of Washington central, fringe benefits activities, including pension and post-retirement health insurance plans, have the following responsibilities:

1. Understand and adhere to the requirements of the Uniform Guidance.

2. Ensure that the following information is made available for inclusion in the state central services plan:

   - Description of fringe benefits provided to covered employees and the overall annual cost of each type of benefit;

   - Current fringe benefit policies;

   - Procedures used to charge or allocate the costs of benefits to benefited activities; and

   - For pension or post-retirement health insurance plans [1] the government's unit funding policies, e.g., legislative bills, trust agreements, or state-mandated contribution rules, if different from actuarially determined rates; [2] the pension plan's costs accrued for the year; [3] the amount funded and dates of funding; [4] a copy of the current actuarial report (including the actuarial assumptions); [5] the plan trustee's report; and [6] a schedule showing the value of interest costs associated with late funding.

50.20.80 Responsibilities of agencies administering or expending federal awards

January 1, 2015

State of Washington agencies that administer or expend federal awards ae responsible to:

1. Comply with the applicable Uniform Guidance related to charging or allocating agency indirect costs.

2. Unless prohibited by federal or state laws or regulations or formal funding limitations, include the fixed cost allocation from the approved SWCAP in their agency indirect cost/cost allocation pool.

   Any indirect costs or cost allocation amounts recovered, as a result of a SWCAP cost allocation amount being included in an agency's indirect rate or cost allocation plan, are to be deposited as a recovery in the state General Fund (Account 001) utilizing Revenue Source code 0448.

50.20.85 Indirect costs in interagency situations

January 1, 2015

50.20.85.a RCW 39.34.130 states that: "…the full costs of a state agency incurred in providing services or furnishing materials to or for another agency under Chapter 39.34 RCW or any other statute shall be charged to the agency contracting for such services or materials and shall be repaid and credited to the fund or appropriation against which the expenditure originally was charged." For these purposes, full costs generally include direct and indirect costs.

50.20.85.b The nature of interagency activity varies greatly ranging from providing a service or product with established indirect costs components to the simple sharing of usage, and/or rental, costs for a common piece of equipment. As such, parties to interagency agreements should include specific language in the text of their agreements to determine and define allowable indirect costs.

50.30
Compliance with Federal Single Audit Act

50.30.10 The purpose of these policies
January 1, 2015

This section addresses the administrative requirements, cost principles and audit requirements related to federal assistance awards administered or expended by state agencies. It also contains state accounting and reporting policies related to administration and expenditure of federal assistance awards.

50.30.15 Authority for these policies
January 1, 2015

This section is issued pursuant to the authority granted to the Director of Financial Management to "...adopt and periodically update an accounting procedures manual" [RCW 43.88.160(1)].

50.30.20 Applicability
January 1, 2015

This part is applicable and binding on all agencies of the state of Washington administering or expending federal assistance, unless otherwise exempted by federal law or appropriate federal authority. The Budget and Accounting Act (RCW 43.88.020) defines the term "Agency" to mean "Every state office, officer, each institution, whether educational, correctional, or other, and every department, division, board, and commission, except as otherwise provided…"

Agencies may request a waiver from complying with the state accounting or reporting requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

50.30.25 About the revised Single Audit Act requirements

January 1, 2015

In 1984, Congress passed the Single Audit Act, which required most governmental recipients of federal assistance (e.g., state and local governments) to have organization-wide financial and compliance audits on an annual basis.

Under provisions of the Single Audit Act, as amended, the state of Washington has opted to obtain a statewide Single Audit to meet the basic federal audit requirements for all federal assistance awards administered or expended by agencies of the State.

Over the years, the federal Office of Management and Budget (OMB) issued several circulars to clarify administrative and audit requirements on various types of federal assistance recipients. These circulars are effective for awards issued **before December 26, 2014**:

- A-21 Cost Principles for Educational Institutions
- A-87 Cost Principles for State, Local and Indian Tribal Governments
- A-110 Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
- A-122 Cost Principles for Non-Profit Organizations
- A-89 Catalog of Federal Domestic Assistance
- A-102 Grants and Cooperative Agreements With State and Local Governments
- A-133 Audits of States, Local Governments and Non-Profit Organizations
- A-50 Audit Follow-up

Refer to the complete circulars listed above at:
http://www.whitehouse.gov/omb/circulars_default/

In 2013, **effective December 26, 2014**, the OMB issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) to clarify and streamline the federal guidance. The Uniform Guidance supersedes the following OMB Circulars: A-21, A-87, A-110, A-122, A-89, and A-102. The major policy changes include:

- eliminating duplicative and conflicting guidance,
- focusing on performance over compliance for accountability,
- encouraging efficient use of information technology and shared services,
- providing for consistent and transparent treatment of costs,
- limiting allowable costs to make best use of federal resources,
- setting standard business processes using data definitions,
- encouraging non-federal entities to have family friendly policies, and
- strengthening oversight.

The Uniform Guidance also addresses audit requirements superseding the OMB circulars A-133 and A-50. The new audit requirements are effective for fiscal years beginning on or after **December 26, 2014.**

The major audit policy changes target audit requirements on the risk of waste, fraud and abuse and raise the dollar threshold for requirement of a Single Audit to $750,000 or more in expenditures in an entity's fiscal year.

For the complete Uniform Guidance refer to:

http://www.whitehouse.gov/omb/grants_docs#final

50.30.35 Responsibilities of the Office of Financial Management

January 1, 2015

1. Prescribe statewide policies and procedures for accounting for and reporting federal assistance that meet the federal requirements.

2. Act as the auditee for the statewide Single Audit of Washington.

3. Collect the necessary information and prepare the annual Schedule of Expenditures of Federal Awards.

4. Work with the Office of the State Auditor to prepare the statewide Data Collection Form and submit it and the statewide reporting package to the federal audit clearinghouse.

5. Work with the Office of State Auditor to ensure that Single Audit requirements are met, particularly the inclusion of the Auditor's reports in the Reporting Package.

6. Prepare and publish the annual State of Washington Single Audit Report.

7. Maintain a system for tracking findings to provide information on the resolution of all findings contained in audits of state agencies and institutions.

8. Follow-up on audit findings, including compiling the Corrective Action Plan and Summary Schedule of Prior Audit Findings sections.

50.30.40 Responsibilities of the Office of the State Auditor

January 1, 2015

1. Conduct an annual statewide Single Audit in accordance with *Generally Accepted Governmental Auditing Standards*.

2. Ensure that audit satisfies Single Audit Act, as amended, and OMB Circular A-133 (through fiscal year 2015) and the Uniform Guidance (effective beginning fiscal year 2016) requirements regarding:

- Financial statements;
- Internal control;
- Compliance with laws, regulations and provisions of contract and grant agreements; and
- Audit follow-up on prior audit findings.

3. Identify major federal programs by establishing dollar thresholds to distinguish between Type A and Type B federal programs per Circular A-133 (through fiscal year 2015) and section 200.518 of the Uniform Guidance (beginning in fiscal year 2016) and performing risk assessment of federal programs as required.

4. Complete and sign applicable sections of Data Collection Form.

5. Prepare and submit the auditor's reports.

50.30.45 Responsibilities of state agencies administering or expending federal awards

January 1, 2015

1. Develop internal policies in accordance with federal requirements.

2. Establish and maintain effective internal controls over federal awards in accordance with guidance in "Standards for Internal Controls in the Federal Government" issued by the Comptroller General of the United States and the "internal control integrated framework" issued by Committee of Sponsoring Organizations of the Treadway Commission (COSO). Refer to Chapter 20 for additional information on internal controls.

3. Evaluate and monitor compliance with federal statutes, regulations, and the terms and conditions of the federal awards.

4. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

5. Take reasonable measures to safeguard protected personally identifiable information and other sensitive information consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

6. Identify, account for, and report all expenditures of federal awards in accordance with laws, regulations, contract and grant agreements, and requirements included in this and other sections of the *State Administrative and Accounting Manual*.

7. Provide year-end, certified, federal financial data per requirements included in Chapter 95.

8. Prepare a corrective plan, in the format specified in Subsection 55.10.35, to address each agency audit finding and forward such plan(s) to OFM within 30 days following the issue date of the agency audit. Further, upon request, provide information on the current status of audit resolution in accordance with Subsection 55.10.20 (b).

9. Take corrective action on audit findings.

10. If acting as a pass-through entity, maintain a system of internal controls to monitor subrecipients.

11. Develop and submit cost allocation plans and indirect rate cost proposals in accordance with Section 50.20.

50.30.50 Basis of accounting to use with federal assistance transactions

January 1, 2015

The fund type of the account in which the federal assistance transactions are recorded determines the basis of accounting. Transactions for governmental fund type accounts are recorded using the modified accrual basis. Proprietary and trust fund type accounts use the accrual basis. Refer to Subsection 80.30.20.

50.30.60 When to recognize federal assistance revenue

January 1, 2015

50.30.60.a Federal financial assistance revenue should be recorded using appropriate revenue source codes. Refer to Subsection 95.10.30.

Governmental Fund Type Accounts. Federal financial assistance is recognized as revenue in governmental fund type accounts in the accounting period when all eligibility requirements are met and it becomes susceptible to accrual, that is, both measurable and available (modified accrual basis). In applying this definition, carefully review legal, contractual, and accounting policy requirements for guidance.

- Entitlements are recorded as revenue at the time of receipt or earlier if the accrual criteria are met. Entitlements are restricted more in form than in substance. Generally, only a failure on the part of the recipient to comply with prescribed regulations will cause a forfeiture of the resources.

- Generally, revenue associated with expenditure driven assistance programs is recognized when the related expenditure is made. If cost sharing or matching requirements exist, revenue recognition depends upon compliance with these requirements.

Revenue associated with federal assistance awards for which the eligibility requirements are met but which is not available, should be recorded as Unavailable Revenue, GL codes 5192 or 5292, and, subsequently, recorded as revenue when the availability criteria is met.

50.30.60.b **Proprietary and Trust Fund Type Accounts.** Federal assistance revenue received in proprietary and trust fund type accounts is recognized as revenue in the accounting period in which it is earned and becomes measurable (accrual basis).

50.30.60.c **Unearned Revenue.** Receipts from federal assistance awards received before the applicable revenue recognition criteria is met are to be recorded as Unearned Revenue, GL codes 5190 or 5290, and, subsequently, recorded as revenue when the revenue recognition criteria is met.

50.30.70 Use the CFDA number to record federal revenue activity

January 1, 2015

50.30.70.a Record federal assistance program revenues by the unique code assigned each federal financial assistance program in the Federal Catalog of Domestic Assistance (CFDA) or, in the absence of a catalog defined number, the number defined by instructions from the federal audit clearinghouse. Refer to Subsection 95.20.20. Preferably, this is to be done as an integral part of the agency's accounting system to enable the system to produce reports by catalog number. However, this may be accomplished by maintaining a crosswalk of federal programs to catalog numbers.

50.30.70.b When catalog numbers have not been provided in the federal grant contract and cannot reasonably be determined by other means, agencies should first contact the federal agency or pass-through entity to obtain the appropriate catalog number. In the event a number cannot be obtained, identify federal programs with a number consisting of the two-digit federal agency number and a three-digit federal program of 999 "Other Federal Assistance." Refer to example in Section 95.20.

50.30.80 Accounting for federal expenditures

July 1, 2015

50.30.80.a **Federal Expenditure.** In appropriated accounts, federal expenditures should be recorded using federal expenditure authority codes. Each agency is responsible for maintaining a system for tracking federal expenditures by the unique code assigned each federal financial assistance program in the Federal Catalog of Domestic Assistance (CFDA).

50.30.80.b **Cost of Administering Nonfinancial Programs.** When allowable by the federal assistance program, administration costs for nonfinancial federal programs are recorded as federal revenues and expenditures under the applicable CFDA program number and reported at year-end on the Federal Financial Assistance - Direct screen of the electronic reporting module.

50.30.80.c **Donated Inventory Programs.** Agencies of the state of Washington receive federal nonfinancial assistance in the form of donated inventories (primarily food commodities and immunization supplies). Such assistance may be received directly from a federal agency or indirectly from another state agency.

Donated inventories are recorded as consumable inventories offset by unearned revenue in accordance with Subsection 85.56.40. Except as noted below, as donated inventories are consumed/distributed, revenues and expenditures should be recognized using GL Codes 3225 "Revenue Adjustment/Elimination (GAAP)" and 6525 "Expenditure/Expense Adjustment/Elimination (GAAP)." State agencies must report the fair value of inventory consumed/distributed during the year on the Nonfinancial Assistance screen of the electronic reporting module.

Agencies distributing donated inventories to other governments, such as school districts, local health districts, and food banks, are to report the amount distributed in the pass through column on the Nonfinancial Assistance screen of the electronic reporting module.

Consistent with 50.30.85, state agencies transferring federally provided inventories to other agencies are to report the revenue and expenditure. The agency actually using/distributing the commodities is to report the receipt of nonfinancial assistance as an expenditure recovery offsetting the associated nonfinancial expenditure/expense in its accounting records.

For food commodities, use the commodity list prepared by the Food and Nutrition Service of the U.S. Department of Agriculture to determine the fair value of the nonfinancial assistance.

50.30.80.d **Federal Surplus Property.** Do not record the value of federal surplus property received by a state agency or institution as revenue in the official state financial accounting records. Maintain the property in appropriate subsidiary ledgers for proper control of the assets. Report federal surplus property on the Nonfinancial Assistance screen of the electronic reporting module under the applicable CFDA program number. It is to be valued at acquisition value if it is capitalized. If it is not capitalized, it is to be valued at its fair value at the time of receipt or the assessed value provided by the federal agency donating the property. As part of the year-end reporting process, the Surplus Property Program within the Department of Enterprise Services will provide each agency with a summary report of the value of federal surplus property received by that agency during the reporting year.

50.30.85 Accounting for federal assistance activity between state agencies

January 1, 2015

Unless directed otherwise by federal law, regulation or federal awarding agency directive, record federal revenue and expenditure/expense activity between state agencies or institutions such that the activity is not duplicated either for accounting or reporting purposes.

State agencies involved in inter-agency federal assistance activity should use the following accounting procedures:

1. The originating state agency records and reports the federal revenue and a corresponding expenditure/expense using Object N "Grants, Benefits, and Client Services" for the amount paid to the subrecipient agency.

2. The subrecipient state agency records program expenditures offset by an interagency reimbursement (Object S) for the moneys received from the original agency. This results in no net revenue or expenditure/expense to the subrecipient agency.

50.30.90 Accounting for federal assistance received from another nonfederal entity, other than another Washington State agency (pass-through)

January 1, 2015

Record federal assistance received indirectly from another state (e.g. Oregon), local government, or private entity as federal pass-through revenue (Revenue Source Code 0546). There are additional year-end financial reporting requirements specific to federal pass-through revenue and expenditures found in Subsection 95.20.70.

50.40
Cash Management Improvement Act

50.40.10 Purpose of the Cash Management Improvement Act

July 1, 2005

The Cash Management Improvement Act of 1990 (CMIA) provides rules and procedures for the efficient transfer of federal financial assistance between the federal agencies and the state. The implementing regulations are in 31 CFR Part 205. The general provisions of the Act are as follows:

1. Federal agencies must make timely fund transfers and grant awards to state agencies.

2. State agencies must minimize the time between the deposit of federal funds in the state's account and the disbursement of funds for program purposes.

3. With some exceptions, the state is entitled to interest from the federal government from the day the state pays out its own funds for federal assistance program purposes to the day federal funds are credited to the state bank account.

4. With some exceptions, the federal government is entitled to interest from the state from the day federal funds are credited to the state's account to the day the state pays out the federal funds for federal assistance program purposes.

5. The state must enter into a Treasury-State Agreement (TSA) with the U.S. Department of the Treasury, Financial Management Service (FMS) to set forth terms and conditions for implementing CMIA.

50.40.20 The Treasury-State Agreement defines the drawdown methods to be used by agencies

November 15, 2000

The Office of Financial Management (OFM), with the assistance of all affected state agencies, negotiates the TSA with FMS. The TSA outlines by program, the funding technique and the clearance pattern the state will use to draw down funds from the federal government.

Generally, conformance with the TSA assures that the state does not owe the federal government, or is not due from the federal government, interest liability on its drawdowns.

Amendments to the TSA may be proposed by either the state or the federal government at any time during the duration of the contract.

50.40.30 Federal assistance programs and state agencies subject to the CMIA

July 1, 2016

The programs listed in the Catalog of Federal Domestic Assistance are subject to CMIA regulations. Currently, programs with $30 million or more in federal expenditures, as determined from the state's 2015 Single Audit Report Schedule of Expenditures of Financial Awards, are required to be covered under the TSA (CMIA agreement). The list of federal assistance programs impacted by CMIA may be revised annually, depending on the total amount of federal expenditures as reported in the state's Single Audit Report. State agencies that administer CMIA programs are subject to CMIA regulations.

50.40.40 Responsibilities of the Office of Financial Management

July 1, 2005

The responsibilities of the Office of Financial Management are to:

1. Annually identify the state agencies and federal assistance programs that will be considered as CMIA programs and notify affected state agencies.

2. Negotiate with FMS new agreements and amendments to the existing TSA (Refer to Subsection 50.40.20).

3. With the assistance of the Office of State Treasurer (OST) and affected state agencies, develop clearance patterns.

4. Prepare annual interest reports and direct cost claims for submittal to FMS (submitted in December each year for the previous state fiscal year).

5. Direct OST as to the payment of state interest liability and/or receipt of federal interest liability.

6. Certify, with affected agencies' concurrence, every five years that clearance patterns correspond to a program's clearance activities.

50.40.50 Responsibilities of agencies that administer CMIA programs

July 1, 2002

The responsibilities of the state agencies that administer CMIA programs are:

1. Request federal funds in accordance with the approved funding technique described in the TSA and in amounts needed for immediate payments.

2. Document the amount of federal funds requested and when federal funds are deposited in the state's account.

   If federal funds are not available when required per the TSA, process the request which will document federal funds were properly requested by the state in accordance with the TSA.

   - For the federal draw systems that reject requests when federal funds are not available in the system, make the request and print the rejection notice as evidence of the state's conformance with the TSA. If necessary, make appropriate phone calls to federal agencies to notify them that federal funds are not available per the TSA. Document efforts made to request federal funds per the TSA.

   - When federal funds are not available per the TSA, maintain documentation of the amount of state funds expended, the dates of these expenditures, the date federal funds were requested, and the date federal funds were received. Maintain this documentation for use in calculating federal interest liability on late federal funds.

   Note: In most cases, the state cannot calculate a federal interest liability unless the state has made a request through a federal draw system and had it rejected, or has notified the applicable federal agency that federal funds are not available per the TSA.

3. Calculate the state and federal interest liabilities (Refer to Subsection 50.40.60) by program and any associated direct costs (Refer to Subsection 50.40.70).

4. Notify OFM, Accounting Division, of changes to the funding techniques and clearance patterns. A state agency shall not make a change until it is reviewed and approved by OFM and FMS.

5. Certify to OFM that CMIA programs conform to the drawdown methods described in the TSA (Refer to Subsection 50.40.20). OFM requests this certification in December of each year.

50.40.60 How to calculate interest owed or due

July 1, 2005

In cases where interest is owed to the federal government or due from the federal government, under the TSA, agencies should calculate and document the interest owed or due. The interest rate to be used is the annualized rate equal to the average equivalent yield of 13-week Treasury Bills auctioned during the state's fiscal year. The interest rate is provided to the state by FMS. Agencies should ensure that interest calculations are auditable.

50.40.70 Interest calculation costs of implementing the TSA are reimbursable

July 1, 2003

Interest calculation costs related to implementing the TSA are reimbursable by the federal government and are claimed on the Annual Report of interest liabilities that is submitted by OFM to FMS in December each year. Interest calculation costs are those costs an agency incurs in performing the actual calculation of interest liabilities, including those costs an agency incurs in developing and maintaining clearance patterns in support of interest calculations. Costs associated with expenses for normal disbursing services, such as processing checks or maintaining records for accounting and reconciliation of cash accounts, or expenses for upgrading or modernizing accounting systems are not reimbursable. Agencies must maintain documentation to substantiate claims for interest calculation costs. Interest calculation costs in excess of $50,000 are not eligible for reimbursement, unless the agency can justify that without incurring such costs, it would not be able to develop clearance patterns or calculate interest.

50.40.80 Responsibilities of agencies receiving federal funds, but not designated as CMIA programs

November 15, 2000

The principal responsibilities of other state agencies receiving federal funds not designated as CMIA programs are:

1. Draw federal funds as close as possible to when the underlying disbursement is made by OST or the local bank.

2. Draw federal funds at the earliest date allowed by the federal program or regulations.

50.50
Americans with Disabilities Act

50.50.10 Background
October 1, 2005

Title II of the Americans with Disabilities Act of 1990 generally became effective for public entities such as the state of Washington on January 26, 1992. On February 24, 1993, the Governor signed Executive Order 96-04, specifically implementing the Americans with Disabilities Act for the state of Washington.

The Act (Public Law 101-336), commonly referred to as the "ADA", makes it unlawful to discriminate against individuals on the basis of disability in the employment, services, programs, or activities of the state. The ADA extends the prohibition of discrimination on the basis of disability, established by Section 504 of the Federal Rehabilitation Act of 1973, as amended, to all state and local governments and all places of public accommodation, regardless of receipt of federal financial assistance. By law, the U.S. Department of Justice's Title II regulations adopt the general prohibitions of discrimination established under Section 504 and incorporate specific prohibitions of discrimination from the ADA.

50.50.20 Purpose
July 1, 2005

The purpose of this section is to ensure that state agencies, including public institutions of higher education, conduct hearings, conventions, conferences, meetings, and formal training sessions in barrier-free facilities so that individuals with disabilities are not excluded from participation or hindered in performing their jobs.

50.50.30 Applicability
July 1, 2005

These regulations apply to all hearings, conventions, conferences, meetings, and formal training sessions held or sponsored by state agencies, and are to be followed except when the specific audience is known and the attendees do not require barrier-free facilities. Normally, this exception would only apply to closed meetings and not public events.

50.50.35 Special definitions

October 1, 2005

State Facility – Any facility owned, leased or occupied by the state.

Non-State Facility – A facility that is not owned, leased or occupied by the state.

50.50.40 Choose barrier-free facilities for hearings, conventions, conferences, meetings and formal training sessions

August 1, 2013

State agencies are **required** to give first priority to state-owned or state-leased barrier-free facilities in place of renting or leasing other facilities. When a hearing, convention, conference, meeting, or formal training session is held or sponsored by a state agency(ies) at a non-state facility, whether free or at a cost to the state:

1. The employee responsible for choosing the facility is to submit a written request in advance of the event to the state agency head or authorized designee.
2. The request is to contain written justification for selecting a non-state facility.
3. Approval of the site by the state agency head or authorized designee is to be in writing.

50.50.50 Use the Accessible Meeting Facility Checklist to help evaluate non-state sites for ADA compliance

October 1, 2005

50.50.50.a An Accessible Meeting Facility Checklist developed by the Governor's Committee on Disability Issues and Employment (GCDE) is to be used to help evaluate a non-state facility for ADA compliance prior to executing a contract with a facility vendor.

50.50.50.b Use of the checklist will provide **reasonable, although not absolute, assurance** that the facility will meet ADA accessibility standards. **Additional accommodations** not included in the checklist may be needed in some instances to ensure barrier-free access to the services, programs, or activities being provided.

50.50.60 Criteria to meet the minimum access requirements

October 1, 2005

The following criteria from the Accessible Meeting Facility Checklist are the **minimum access requirements** for conducting hearings, conventions, conferences, meetings, or formal training sessions:

50.50.60.a **Site and Building Exterior**

- If off-street parking is provided, the parking and passenger loading zone is to be on a level, stable, firm, slip resistant surface.
- A ramp, curb-cut, or level walkway leads from the parking area to a primary entrance to the building.
- Exterior walkways are free of vertical obstructions up to 80" in height.
- All exterior ramps have a firm, non-slip surface.
- Primary entrances to the building have a clear opening of at least 32 inches and either an automatic door or a door with opening pressure less than 8.5 lbs.

50.50.60.b **Building Interiors**

- Interior corridors from the primary entrances to the meeting room and restrooms have a clear width of 36" minimum.
- All interior doors including elevator doors, restroom doors, and accessible toilet stalls between the primary entrance and meeting room have a minimum clear opening of 32".

50.50.60.c **Meeting Rooms**

- If the facility has fixed seating, provide a minimum of 36" clear aisles throughout the meeting room area.

50.50.60.d **Restrooms**

- Accessible toilet stalls with a minimum dimension of 60" wide x 58" deep are to be provided.
- Grab bars installed 33" to 36" above and parallel to the floor on the back or to the side of the toilet are to be provided.

50.50.70 Agency responsibilities in contracting for a barrier-free, non-state facility

October 1, 2005

The representative of a state agency must comply with the following procedures when contracting for a barrier-free, non-state facility for hearings, conventions, conferences, meetings, or formal training sessions:

1. Use the GCDE Accessible Meeting Facility Checklist to help evaluate a non-state facility for ADA compliance prior to executing a contract with a facility vendor. (Refer to Subsection 50.50.50.) **or**

   Provide the vendor a copy of the Accessible Meeting Facility Checklist with the procurement document (field order, contract, etc.) and ensure the vendor completes the checklist, unless a current completed checklist for the facility is already on file with the state agency.

2. Provide a list of the minimum accessibility requirements (Subsection 50.50.60) to the vendor. The facility selected for the hearing, convention, conference, meeting, or training session must, at a minimum, meet all of these requirements.

3. Ensure the procurement documents contain an acknowledgment from the vendor certifying the following:

   - The barrier-free non-state facility will meet the **minimum accessibility requirements** contained in Subsection 50.50.60 on the scheduled date(s) of the event.
   - When requested by the agency, the vendor will make **special modifications** to the non-state facility to meet ADA accessibility requirements for a particular event. Any agreement to provide special modifications may entail negotiation of additional costs payable by the contracting agency. Agreements for special modifications are to be written and signed by a state agency representative and the non-state facility vendor prior to the event being held.

- The vendor is solely responsible to ensure that the non-state facility meets the minimum accessibility requirements contained in these regulations, and that any special modifications to the non-state facility are completed for the event. The vendor shall indemnify and hold harmless the contracting state agency from any claims resulting from the vendor's failure to meet the minimum accessibility requirements.

4. Ensure the non-state facility vendor attaches a **signed** ADA certification statement and a completed Accessible Meeting Facility Checklist to the invoice being submitted to the state agency for payment. The ADA certification statement is to read: "To the best of (vendor's name) knowledge, the facilities provided to the (state agency's name) on (date or dates) met all of the minimum accessibility requirements (and any special modifications to the facilities included in the contract)." It is not necessary for the vendor to attach a completed copy of the Accessible Meeting Facility Checklist to the invoice, if the agency has a current copy of it on file and references the checklist and the date of completion on the face of the invoice.

5. The representative of a state agency who signs the receiving report is to prepare and attach a statement indicating that to the best of the representative's knowledge the non-state facility met, or did not meet, all of the minimum accessibility requirements (and any special modifications to the facilities included in the contract) on the date(s) of the hearing, convention, conference, meeting, or training session. If the facility did not meet the minimum accessibility requirements, a complete explanation of the failure(s) is to be included in the statement.

50.50.80 When a non-state facility turns out not to meet ADA access criteria

October 1, 2005

50.50.80.a Should a state agency obtain a receiving report with a statement by its representative indicating that the non-state facility did not meet ADA access criteria, the agency is authorized to deny payment to the vendor due to breach of contract.

50.50.80.b The state agency should not contract for further use of the non-state facility until it assures itself that the non-state facility meets the **minimum accessibility requirements** contained in Subsection 50.50.60. **Failure by a state agency(ies) to obtain such assurance could result in judicial action and the imposition of significant financial penalties.**

50.50.90 How to get more information on ADA compliance

August 1, 2013

Any individual or organization wanting information, regarding how to bring individual situations, issues, etc. into compliance with Title II of ADA and/or Executive Order 93-03, is encouraged to contact the Governor's Committee on Disability Issues and Employment at:

Governor's Committee on Disability Issues and Employment
PO Box 9046, MS: 6000
Olympia, WA 98507-9046

Phones:
Olympia: (360) 725-5909 (voice)
Spokane: (509) 482-3854 (voice)

50.50.95 How to file an ADA related complaint

August 1, 2013

Any individual believing to be a victim of discrimination prohibited by Title II ADA regulations may file a complaint. Complaints filed on behalf of classes of individuals are also permitted. Complaints should be in writing, signed by the complainant or an authorized representative, contain the complainant's name and address, and describe the public entity's alleged discriminatory action. Complaints may be made to:

Law Against Discrimination (RCW 49.60)

Washington State Human Rights Commission
711 S Capitol Way, Suite 402
PO Box 42490, MS: 42490
Olympia, WA 98504-2490

http://hum.wa.gov/

Phones:
Olympia: (360) 753-6770 (voice) or (800) 300-7525 (TTY)
Seattle: (360) 753-6770 (voice) or (800) 300-7525 (TTY)
Spokane: (509) 568-3196 (voice)
Yakima: (509) 494-0347 (voice)
Statewide: (800) 233-3247 (voice)

Complaints about State Programs & Services

US Department of Justice
Civil Rights Division
950 Pennsylvania Ave. NW
Disability Rights Section – NYAV
Washington, DC 20530

http://www.usdoj.gov/

Phones:
(202) 514-4609 (voice), or (202) 514-0716 (TTY)

Title 1, Employment Related Complaints - State Government

U.S. Equal Employment Opportunity Commission
Field Management Programs
1801 L Street, N.W., Room 8023
Washington, D.C. 20507

http://www.eeoc.gov/facts/howtofil.html

Phones:
(800) 669-4000 (voice), or (800) 669-6820 (TTY)

This page intentionally left blank.

Chapter 55 - Audit Tracking

55.10 Audit Tracking

55.10.10	OFM responsibilities for audit resolution tracking	July 1, 2008
55.10.20	Agency responsibilities for audit resolution tracking	July 1, 2008
55.10.30	Corrective Action Plan format – state audit findings	July 1, 2008
55.10.35	Corrective Action Plan format – federal audit findings	July 1, 2008
55.10.40	Certification of Completion of Corrective Action	July 1, 2008
55.10.50	Certification of Completion of Corrective Action format	July 1, 2008

This page intentionally left blank.

55.10
Audit Tracking

55.10.10 OFM responsibilities for audit resolution tracking

July 1, 2008

The Office of Financial Management (OFM) has the following responsibilities related to the state auditor's exception to specific expenditures incurred by an agency or other practices related in any way to the agency's financial transactions. For purposes of this section, auditor exceptions include questioned costs and audit findings reported in accountability audit, statewide single audit, and special (i.e. fraud) audit reports.

1. The director has a duty to cause corrective action to be taken within six months, such action to include, as appropriate, the withholding of funds as provided in RCW 43.88.110. Also refer to RCW 43.88.160 (6)(d).

2. Report annually by December 31st the status of audit resolution to the appropriate committees of the legislature, the state auditor, and the attorney general. The audit resolution report shall include actions taken as a result of an audit finding including, but not limited to, types of personnel actions, costs and types of litigation, and value of recouped goods or services. Refer to RCW 43.88.160 (6)(d).

3. Acting as the auditee for the statewide single audit, OFM is responsible for assembling the consolidated corrective action plan. Refer to Subsection 50.30.35.

55.10.20 Agency responsibilities for audit resolution tracking

July 1, 2008

55.10.20.a To provide OFM with the necessary information to fulfill its responsibilities, and to cause corrective action to be taken in a timely manner, all state agencies and institutions are required to submit, to the OFM Accounting Division within 30 days of the issue date of a state audit, corrective action plan information for each finding or questioned cost contained in state audit reports. Refer to Subsection 55.10.10 for the types of state audit reports to which this requirement applies. Refer to Subsections 55.10.30 and 55.10.35 for the format of the information to be provided.

For findings reporting occurrence of fraud, in addition to the corrective action plan information, the information submitted is to include fraud amount; costs and type of litigation; recovery to date; and personnel actions taken.

55.10.20.b Further, to provide OFM with information necessary to complete annual state and federal reporting requirements, agencies are required to respond, upon request from OFM, on the current status of audit resolution.

55.10.20.c Audit tracking information is not required to be submitted for audits with no findings or questioned costs.

55.10.30 Corrective Action Plan format – state audit findings

July 1, 2008

State of Washington

Corrective Action Plan for Audit Finding

Agency Code: _____ **Agency Title:** _____

Corrective Action Plan Information:	
Audit Report Number:	
Finding Number:	
Finding:	
Corrective Action Taken or To Be Taken: If already taken, date of completion: If to be taken, estimated date of completion:	
Agency Response: Does agency agree with finding?: If no or partially, please explain reason(s) why:	 Yes ☐ No ☐ Partially ☐
Additional Comments:	
Agency Contact Responsible for Corrective Action: Name: Title: Address or Mailstop: City, State, Zip code: Phone Number: Email:	 ( ) - ext.

Submit completed form electronically to:

Your Agency's Accounting Consultant

You can find your agency's Accounting Consultant at:
http://www.ofm.wa.gov/accounting/swa/swacontacts.asp.

Or, send by mail to:

Attn: Statewide Accounting Services
Office of Financial Management
Accounting Division
P.O. Box 43113
Olympia, WA 98504-3113

55.10.35 Corrective Action Plan format – federal audit findings

July 1, 2008

State of Washington
Corrective Action Plan

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 20XX

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Agency Name

Fiscal Year	Finding Number	Finding and Corrective Action Plan
XX	XX	Finding: Questioned Costs: CFDA # XX.XXX Amount $ Status: Corrective Action: Completion Date: Estimated or Actual Completion Month Year

55.10.40 Certification of Completion of Corrective Action

July 1, 2008

55.10.40.a Upon completion of corrective action related to an audit finding, each state agency is required to submit, to the OFM Accounting Division, a certification signed by the agency head or assigned designee that the audit resolution process is complete. It is recommended that agencies discuss the completion of corrective action with their assigned OFM Accounting Consultant prior to submitting the certification.

55.10.40.b The agency head or assigned designee will certify to the best of their knowledge that the corrective action taken by the agency related to the finding is considered by the agency to be appropriate to resolve the finding and is complete.

The certification is required to include:

- Agency number
- Audit number
- Finding number
- Finding
- Resolution
- Date completed
- Agency contact

In addition to the information listed above, the certification will require additional information depending on the nature of the audit finding. For a finding of **fraud**, the certification will include:

- Fraud amount
- Total amount to be recovered
- Recovery to date
- Criminal action taken
- Personnel action taken

For a **federal** finding, the certification will include:

- CFDA number
- Questioned cost

The completed certification signed by the agency head or assigned designee is to be submitted to:

Office of Financial Management
Accounting Division
P.O. Box 43113
Olympia, WA 98504-3113

55.10.50 Certification of Completion of Corrective Action format

July 1, 2008

State of Washington

Certification of Completion of Corrective Action

Agency Code: _____ **Agency Title:** _____

The following elements are REQUIRED for ALL certifications:	
Audit Report Number:	
Finding Number:	
Finding:	
Agency Resolution:	
Actual Date Completed:	
Agency Contact:	
Name:	
Title:	
Address or Mailstop:	
Phone Number:	( ) - ext.
Email:	

The following elements are required ONLY for certifications related to FEDERAL findings:	
CFDA Number(s):	
Questioned Cost (if any):	

The following elements are required ONLY for certifications related to findings of FRAUD:	
Fraud Amount:	
Amounts to be Recovered:	
Restitution of Misappropriation:	
Audit Costs:	
Court Costs:	
Other (Specify):	Specify:
TOTAL:	
Amts. Recovered to Date:	
Criminal Action Taken:	
Personnel Action Taken:	

I certify that, to the best of my knowledge, the corrective action taken by the agency related to the above audit finding is appropriate to resolve the finding and has been completed.

_____

Printed Name and Title of Agency Head or Assigned Designee Signature Date

Phone Number: ( ) - ext. _____ Email: _____

Submit completed, signed certificate to:

Attn: Statewide Accounting Services
Office of Financial Management
Accounting Division
P.O. Box 43113
Olympia, WA 98504-3113

Chapter 60 - Moving Expenses

60.10 Moving Expense Policies

60.10.10	Agencies may pay moving expenses under certain conditions	Jan. 1, 2000
60.10.20	Qualified employees – transferred employees	Jan. 1, 2000
60.10.30	Qualified employees – new employees	Jan. 1, 2012
60.10.40	Agency head responsibilities	Jan. 1, 2012
60.10.50	Responsibilities of the state employee	Jan. 1, 2012
60.10.60	Responsibilities of the Department of Enterprise Services	Jan. 1, 2012

60.20 Allowable Moving Costs

60.20.10	Allowable moving costs	Jan. 1, 2012
60.20.20	Moving-related costs not allowed as state expenditures	Oct. 1, 2002

60.30 Paying Moving Costs

60.30.10	Employee is responsible for certain costs	Jan. 1, 2012
60.30.20	Reviewing, approving and paying the common carrier invoice	Jan. 1, 2012
60.30.30	Employees requesting moving services must use a payroll deduction	Jan. 1, 2012
60.30.40	The agency pays for insurance	July 1, 2007
60.30.50	Damage claim procedure	Jan. 1, 2012

This page intentionally left blank.

60.10
Moving Expense Policies

60.10.10 Agencies may pay moving expenses under certain conditions

January 1, 2000

An agency may pay the moving costs of qualified or transferred employees subject to requirements and restrictions in this chapter. (RCW 43.03.110 and RCW 43.03.120).

60.10.20 Qualified employees – transferred employees

January 1, 2000

Relocation expenses may be paid to current employees who are being transferred at the request of the agency. However, the agency is responsible for ensuring that the transfer of a new employee is not used as a means to avoid other aspects of the moving expense regulations.

60.10.30 Qualified employees – new employees

January 1, 2012

60.10.30.a Any agency may pay the moving expenses of a qualified new employee hired in a permanent position who must move to accept state employment, pursuant to mutual agreement with the employee in advance of such employment. The payment of moving expenses for a new employee is normally limited to 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, or professional, or administrative employees in supervisory positions.

Community and technical colleges may pay moving expenses for prospective employees being considered for full-time faculty positions or administrative employees in supervisory positions.

The Washington State Investment Board may pay moving expenses for employees being considered for investment officer positions.

60.10.30.b When there is an inability to fill a lower level exempt or classified position, and the filling of the position is essential to carrying out the critical work of an agency, the agency can pay moving expenses as a recruiting aid. The requesting agency director is accountable for the action and required to have appropriate documentation.

The documentation should include:

- Prior recruiting efforts made to fill the position,
- The number of candidates available,
- Salary differences between the state position and comparable positions in industry or other states,
- The distance the applicant needs to move in order to accept state employment,
- Other related evidence which supports the need to pay moving expenses,
- The critical nature of the work, and
- The financial ability of the agency to pay the moving expenses.

60.10.30.c If a new employee terminates or causes termination of his/her employment with the state within one year of the date of employment, the state shall be entitled to reimbursement for the moving costs which have been paid and may withhold such sum as necessary from any amounts due the employee. (RCW 43.03.120)

60.10.40 Agency head responsibilities

January 1, 2012

The ***agency*** head or authorized designee is responsible for:

1. Authorizing the move and approving the expenses to be allowed by the ***agency*** under the rules described in this section.

2. Utilizing mandatory state contract(s) as obtained and managed through the Department of Enterprise Services.

3. Completing and signing the A33 Relocation Authorization Form.

The Agency Guide on Moves and the A33 Relocation Authorization Form are available online at: http://www.ga.wa.gov/pca/moving.htm.

60.10.50 Responsibilities of the state employee

January 1, 2012

The employee is responsible for:

1. Reading the Department of Enterprise Services' Employee Moving Guide.

2. Signing the completed A33 Relocation Authorization Form.

3. Paying moving expenses not reimbursable within these regulations. (A payroll deduction authorization is part of the A33 form.)

The Employee Moving Guide and A33 Relocation Authorization Form are available online at: http://www.ga.wa.gov/pca/moving.htm.

60.10.60 Responsibilities of the Department of Enterprise Services

January 1, 2012

60.10.60.a All agency requests for the purchase of materials, supplies, equipment and services must be processed through the Department of Enterprise Services (RCW 43.19), unless it has assigned mandatory state contract(s) or has specifically delegated your agency direct authority to do so.

60.10.60.b The Department of Enterprise Services is responsible for:

1. Obtaining, managing and maintaining mandatory state contract(s) for the transportation of household goods for agency direct usage.

2. Arranging for the transportation of household goods, when necessary, upon receipt of an approved A33 Relocation Authorization Form.

3. Receiving and reviewing carrier invoices prior to payment and reimbursement by the agency for an employee not yet a member of a classified service.

60.20
Allowable Moving Costs

60.20.10 Allowable moving costs
January 1, 2012

Allowable moving costs include the costs to move household goods, personal effects, and property used in a dwelling, and normal equipment and supplies used to maintain the dwelling from the old residence to the new station within the state. However, refer to Subsection 60.20.20 for items specifically **excluded** from allowable moving costs.

Agencies have discretion to reimburse employees for containers, time spent packing, moving the household goods to the new location, and unpacking. Allowable moving costs include:

60.20.10.a **Common carrier costs.**

1. An agency may purchase common carrier transportation for a new or transferred employee, his/her spouse or domestic partner registered in the state of Washington, and their dependents from the employee's former residence to their new official station/residence.

   ***Note**: 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.*

2. Agencies may pay the cost of moving up to 16,000 pounds of household goods via common carrier, including a reasonable allowance for packing, unpacking, and if authorized by the agency, up to 90 days storage in transit. Storage may be paid at point of origin, destination point of the move, or both, but shall not exceed a total of 90 days.

3. Charges by common carrier for appliance disconnections and hookups.

4. Insurance or transit protection costs. The maximum amount of state provided insurance is $75,000 for intrastate and $100,000 for interstate and international per move while in transit, storage-in-transit, and delivery to or from the common carrier's storage warehouse. All adjustments of losses are to be based upon the replacement value of the items claimed. Coverage in excess of $75,000 for intrastate moves and $100,000 for interstate and international moves may be secured at the employee's expense.

60.20.10.b **Costs to rent moving equipment (self moves).**

1. The maximum allowable moving costs using rental equipment or employee direct hire of a common carrier may not exceed the cost of moving a maximum of 16,000 pounds of household goods between the same origin and destination points by common carrier. If the employee estimates that costs of the rental or direct hire of a common carrier will be less than $10,000, the employee can select the rental unit or common carrier, and pays the rental or common carrier.

   Items allowable for reimbursement include: rental of vehicle(s), fuel costs for the rental vehicle, packing materials, equipment rental, toll bridge/road fees, ferry charges, labor fees (associated with packing, loading/unloading). Receipts are required to be submitted for all items over $50. Ferry charges and bridge/road tolls do not require receipts. It is not necessary for the agency to submit the receipts to the Department of Enterprise Services (DES). The employee shall submit the original receipts directly to the hiring agency for reimbursement.

   If the employee estimates that the costs will exceed $10,000, the employee must first obtain three competitive bids. The hiring agency must forward copies of the bids and receipts to DES for approval prior to reimbursing the employee at the rate of the lowest bid. Reimbursement is limited to the lowest bid or the state contracted rate, whichever is less.

2. Allowable moving costs may include a mileage allowance for towing a trailer by personal automobile and is to be paid at the standard mileage rate. Agencies should consult IRS regulations regarding the taxation of these payments.

3. DES cannot provide transit insurance for household goods moved by the employee in a rental unit or for household goods moved by a common carrier hired directly by the employee. The employee may secure and be reimbursed for the cost of transit insurance up to a maximum of $75,000 coverage on such household goods, or the same amount of coverage at the state contracted rate, whichever is less for intrastate moves and $100,000 for interstate and international moves.

60.20.10.c **Costs related to move by state-owned vehicle.**

1. It is the responsibility of the ***agency*** to provide an experienced truck driver when the employee does not have adequate truck driving experience. The driver of the state-owned vehicle is to possess a valid driver's license.

2. Transit insurance cannot be provided by DES for goods moved by employees in state-owned motor vehicles. The employee may secure and be reimbursed for transit insurance up to a maximum of $75,000 coverage on the employee's household goods.

60.20.10.d **Costs related to moving mobile homes.**

Moving expenses may be paid for a mobile home which is the primary residence of the employee, provided the move is not within the same metropolitan area. The maximum allowable moving costs may not exceed the cost of moving a maximum of 16,000 pounds of household goods between the same origin and destination points by common carrier. Allowable moving costs are:

1. The cost of having the mobile home moved by a professional mover and set up at the new location. This may include a combination of costs resulting from moving household goods by common or other carrier and moving the mobile home by a professional mover.

2. Packing of contents of the mobile home and normal preparation of the mobile home for the over-the-road movement.

3. Transit insurance cannot be provided by DES for mobile home moves. The employee may secure and be reimbursed for transit insurance up to a maximum of $75,000 coverage for intrastate moves and $100,000 for interstate and international moves.

60.20.10.e **Per diem and mileage expenses.**

1. When a new or transferred employee is eligible to be moved at state expense, the agency may authorize a relocation allowance for a temporary period while the employee is moving and looking for a new home. The allowance cannot exceed the Maximum Per Diem Rate for one person at the rates stated in Subsections 10.90.10 and 10.90.20. The lodging portion of the per diem rate shall be reimbursed at actual costs, **as evidenced by a receipt**, up to the specific daily maximum allowable lodging rate in effect at the time of travel for the specific area or locality. Agencies should consult Internal Revenue Service regulations regarding the taxability of relocation allowances paid to new or transferred employees.

2. In connection with a single move, agencies may reimburse a new or transferred employee for the expenses related to driving or transporting up to two personal motor vehicles from the employee's old residence to the new residence. Maximum reimbursement shall be for the distance the motor vehicles were transported or driven using the POV mileage reimbursement rate displayed in Subsection 10.90.20. The employee is responsible for arranging the transportation of his/her personal motor vehicle. Agencies should consult IRS regulations regarding the taxation of these payments.

60.20.10.f **Relocation compensation.**

An agency director may authorize a lump sum relocation compensation payment to an employee under certain circumstances. Refer to Subsection 25.30.60.b.

60.20.20 Moving-related costs not allowed as state expenditures

October 1, 2002

The following items are specifically excluded from allowable moving costs and may not be moved at state expense:

60.20.20.a Animals and articles of sentimental or high intrinsic value (defined as an item where value exceeds $100 per pound). The employee is to personally arrange for and pay the cost of transportation of items such as jewelry, ammunition, negotiable, and collectors items.

60.20.20.b Excessive hobby material and equipment, farming equipment, automobiles (also refer to Subsection 60.20.10.e.2), motorcycles, boats, airplanes, camping vehicles, and mobile homes which are not the primary residence of the employee, explosives and other dangerous goods, property liable to damage the mover's equipment or other property, perishable foodstuffs subject to spoilage, building materials, fuel or other similar non-household articles.

60.20.20.c Wrecker services necessary to place a mobile home in position for over-the-road movement; tire failure, temporary carriage or the installation of a removable undercarriage; movement or replacement of outside fuel tanks; and any costs incurred to bring the mobile home up to safety requirements for over-the-road movement.

60.20.20.d Penalties imposed by a carrier, rental agency, or mover as a result of negligence by the employee.

60.20.20.e Maid service or other third party convenience or services of a similar nature.

60.30
Paying Moving Costs

60.30.10 Employee is responsible for certain costs
January 1, 2012

The employee is responsible for paying moving expenses in excess of the allowable costs defined in Section 60.20 of this manual.

When the total charges exceed the allowable costs the Department of Enterprise Services will advise the agency of the proportionate share of the costs to be borne by the state and by the employee. Charges are to be prorated on the basis of a ratio of the maximum weight allowed in Subsection 60.20.10 to the total weight and will include all allowable costs essential to the physical move of goods as a single unit.

60.30.20 Reviewing, approving and paying the common carrier invoice
January 1, 2012

Prior to payment of the carrier invoice, the employee and the ***agency*** are to review the invoice and indicate agreement or disagreement with the specified charges. In the event that either the employee or the ***agency*** feels that the charges are in error, a written notice of the dispute is to be filed with the Department of Enterprise Services (DES) for resolution. DES is to notify the carrier upon receipt of a notice of dispute.

Agencies are to pay the entire amount of the uncontested carrier invoice and separately recover the employee's proportionate share of the cost of the move.

60.30.30 Employees requesting moving services must use a payroll deduction
January 1, 2012

60.30.30.a New or transferred employees requesting moving services are to execute a payroll deduction (Form A33) prior to the Department of Enterprise Services (DES) securing moving services. The payroll deduction authorizes the employing ***agency*** to withhold the total amount of the employee's share of the cost of the move commencing the first pay date after payment of the uncontested carrier's invoice by the agency.

60.30.30.b The deduction from the employee's pay for the employee's share of moving costs (if any) is to be made after withholding of mandatory payroll deductions but prior to withholding any voluntary payroll deductions.

Mandatory payroll deductions are defined as:

- Federal income tax.
- Employee's share of OASI/Medicare contributions.
- Medical aid contributions.
- Mandatory retirement contributions.
- Court or administratively ordered deductions served on the ***agency*** (such as IRS levies and orders/notices for child support).
- Employee's share of medical insurance.
- Union dues/representation fees (if mandated by statute).

60.30.30.c This payroll deduction authorization is to remain in force until the total amount of the employee's share of the cost of the move has been recovered.

60.30.30.d New or transferred employees who do not execute a payroll deduction authorization prior to the authorization of the move will be responsible for arranging their own move and making full payment directly to the carrier. The state will reimburse the employee under this circumstance for either the amount the state would have paid if the move had been arranged through DES or the actual cost incurred by the employee, whichever is less.

60.30.40 The agency pays for insurance

July 1, 2007

The premium for the state household goods blanket insurance policy for up to $75,000 for intrastate moves and $100,000 for interstate and international moves will be provided at no additional cost under contract.

60.30.50 Damage claim procedure

January 1, 2012

The employee should understand that any claim for loss or damage must be negotiated directly between the employee and the mover and/or insurance carrier. The Department of Enterprise Services will provide claim forms to the employee for goods moved by common carrier, and will assist the employee and the carrier in resolving any dispute.

Chapter 65 - Financial Services Agreements

65.10 Financial Services Agreements

65.10.10	Authority for these policies	July 1, 2010
65.10.20	Applicability	July 1, 2010
65.10.30	Responsibilities of the Office of Financial Management	Oct. 1, 2000
65.10.40	Responsibilities of the Office of the State Treasurer	July 1, 2010
65.10.50	Agency responsibilities	June 1, 2002

This page intentionally left blank.

65.10
Financial Services Agreements

65.10.10 Authority for these policies

July 1, 2010

65.10.10.a RCW 43.08.015 states that:

"Within the policies and procedures established pursuant to RCW 43.41.110(13) and 43.88.160(1), the state treasurer shall take such actions as are necessary to ensure the effective cash management of public funds. This cash management shall include the authority to represent the state in all contractual relationships with financial institutions. The state treasurer may delegate cash management responsibilities to the affected agencies with the concurrence of the office of financial management."

65.10.10.b RCW 43.88.160(5) states that:

“The treasurer shall:

(a) Receive, keep, and disburse all public funds of the state not expressly required by law to be received, kept, and disbursed by some other persons: PROVIDED, That this subsection shall not apply to those public funds of the institutions of higher learning which are not subject to appropriation;

(b) Receive, disburse, or transfer public funds under the treasurer's supervision or custody;

(c) Keep a correct and current account of all moneys received and disbursed by the treasurer, classified by fund or account;

(d) Coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization under RCW 43.41.180;

(e) Perform such other duties as may be required by law or by regulations issued pursuant to this law.

It shall be unlawful for the treasurer to disburse public funds in the treasury except upon forms or by alternative means duly prescribed by the director of financial management.”

65.10.10.c RCW 39.58.080 states that:

"(1) Except for funds deposited pursuant to a fiscal agency contract with the state fiscal agent or its correspondent bank, funds deposited pursuant to a custodial bank contract with the state's custodial bank, and funds deposited pursuant to a local government multistate joint self-insurance program as provided in RCW 48.62.081, no public funds shall be deposited in demand or investment deposits except in a public depositary located in this state or as otherwise expressly permitted by statute: PROVIDED, That the commission, or the chair upon delegation by the commission or chair deem appropriate, a treasurer to maintain a demand deposit account with a banking institution located outside the state of Washington solely for the purpose of transmitting money received to public depositaries in the state of Washington for deposit."

65.10.20 Applicability

July 1, 2010

This chapter is applicable to all agencies of the state of Washington, unless otherwise exempted by statute or rule. The Budget and Accounting Act (RCW 43.88.020) defines the term "Agency" to mean and include "…every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided…"

Agencies may request delegation of authority from the Office of the State Treasurer (OST).

65.10.30 Responsibilities of the Office of Financial Management

October 1, 2000

The Office of Financial Management (OFM) has the following responsibilities related to agreements with financial institutions:

1. Work with agencies on requests for delegation of cash management responsibilities, and

2. Respond to requests for information concerning fiscal matters.

65.10.40 Responsibilities of the Office of the State Treasurer

July 1, 2010

The Office of the State Treasurer (OST) has the following responsibilities related to agreements with financial institutions:

1. Negotiate master contracts with financial institutions, including but not limited to, contracts for treasury and treasury trust accounts, contracts for services available from local banks, contracts for electronic transfer of funds, including credit cards and debit cards, automated clearing house (ACH) transfers, wire transfers and contracts for lockbox services. Certain responsibilities may be delegated to agencies with OFM's concurrence. An agency delegated any of these responsibilities should use its best efforts to minimize the financial impact of the contract to the state agency, the taxpayers, and the public who uses its services. Refer to Subsection 40.10.50.

2. Pay, at its discretion, for purchased banking services for treasury and treasury trust accounts from the investment income accounts. OST's reimbursement for purchased banking services is generally limited to amounts above an agency's funding for the activity.

3. Advise agencies of new cash management techniques, practices, procedures and other efficient methods of collecting and disbursing state money to ensure maximum return on state investments.

4. Assist agencies by increasing their knowledge of applicable depository and investment statutes.

5. Advise agencies of required language that must be included in any Request for Proposal (RFP) and/or agreement/contract that has either an electronic funds settlement component or involves a vendor who holds funds for a period of time before remitting them to the state. This language must be included to mitigate the risk of loss of funds to the state.

65.10.50 Agency responsibilities

June 1, 2002

1. Contact the Office of the State Treasurer (OST) for information on specific services available from financial institutions and for assistance in banking negotiations to set up new local accounts or to expand the services of an existing local account. Agencies seeking delegated authority to negotiate contracts with financial institutions are encouraged to contact OST as early as possible.

2. Agencies seeking delegation of authority must provide documents for OST's review. The following documents are normally required to ensure that resulting contractual arrangements reflect sound business practices at minimized costs, using economies of scale to negotiate favorable fees, while insuring prompt payment and reducing liability:

    a. Cover letter requesting delegation of authority,

    b. Draft of the RFP or Request for Information (RFI), and

    c. Draft of the banking contract.

3. Work with OST and the Public Deposit Protection Commission (PDPC) to ensure that all cash management laws have been met.

4. When preparing an RFP and/or agreement/contract that has either an electronic funds settlement component or involves a vendor who holds funds for a period of time before remitting them to the state, an agency must contact OST. OST will provide required language to be included in the documents that is essential to mitigate the risk of loss of funds to the state.

Chapter 70 - Other Administrative Regulations

70.10 Coffee and Light Refreshments

70.10.10	The agency must first adopt written policies	July 1, 2014
70.10.20	When may coffee and light refreshments be served?	July 1, 2005
70.10.30	Expenditures for coffee and light refreshments are prohibited in some cases	May 1, 1999
70.10.40	Documentation of approval is required	May 1, 1999

70.15 Meals with Meetings

70.15.10	Reimbursement for meals with meetings	July 1, 2014
70.15.20	Expenditures for meals with meetings are prohibited in some cases	Apr. 15, 2004
70.15.30	Documentation of advance approval for meals with meetings is required	Apr. 15, 2004

70.20 Prospective Employee Interview Expenses

70.20.10	Agencies may pay certain expenses for qualified prospective employees	May 1, 1999
70.20.20	Who is a qualified prospective employee?	July 1, 2010
70.20.30	Allowable travel expenses and reimbursement limits	May 1, 1999
70.20.40	How expenses should be documented and paid	Jan. 1, 2012
70.20.50	Prior authorization is required for classified positions	Jan. 1, 2012

70.40 Higher Education Enrollment Reporting

70.40.05	Purpose of these policies	Aug. 1, 2006
70.40.10	Authority for these policies	Aug. 1, 2006
70.40.20	Who must comply with these policies	Aug. 1, 2006
70.40.30	Special definitions	Aug. 1, 2006
70.40.40	Higher Education Enrollment Reporting Requirements	Aug. 1, 2006

70.60 Unified Business Identifier (UBI)

70.60.10	The purpose of the UBI	May 1, 1999
70.60.20	The UBI and how it is used	May 1, 1999
70.60.30	Certain agency systems must include the UBI	May 1, 1999
70.60.40	Assigning the UBI	May 1, 1999
70.60.50	Applicability	May 1, 1999

70.70 Child Care Services for Children of State Employees

70.70.10	These policies establish minimum requirements	May 1, 1999
70.70.20	Identifying suitable space for a child care facility	Jan. 1, 2012
70.70.30	Determining the rental rate for the space	Jan. 1, 2012
70.70.40	Child care facility contracting requirements	Jan. 1, 2012
70.70.50	Child care program contracting requirements	Jan. 1, 2012

70.75 Suspected Losses of Public Funds or Property

70.75.10	Purpose of these policies	June 1, 2016
70.75.20	Authority for these policies	June 1, 2016
70.75.30	Applicability of these policies	June 1, 2016
70.75.40	Responsibilities of the State Agency	June 1, 2016

70.10
Coffee and Light Refreshments

70.10.10 The agency must first adopt written policies

July 1, 2014

An agency may not provide coffee and light refreshments at meetings and formal training sessions unless the agency has formally adopted written internal policies and procedures that describe the approval process for these items.

In accordance with Executive Order 13-06, executive cabinet agencies are required, and all other agencies strongly encouraged, to incorporate healthy food and beverages in their coffee and light refreshment internal policies. Refer to http://www.doh.wa.gov/CommunityandEnvironment/WorksiteWellness/HealthyNutritionGuidelines.aspx.

70.10.20 When may coffee and light refreshments be served?

July 1, 2005

70.10.20.a Per RCW 43.03.050(4), with approval of an agency head or authorized designee, an agency may serve coffee or light refreshments at a meeting where:

- The purpose of the meeting is to conduct state business or to provide formal training that benefits the state; **and**
- The coffee or light refreshment is an integral part of the meeting or training session; **and**
- The agency obtains a receipt for the actual costs of the coffee and/or light refreshments.

70.10.20.b This authority is not intended for use with the normal daily business of elective or appointive officials or state employees, but rather for special situations or occasions, as determined by the agency head or authorized designee, for example, recognizing agency or employee accomplishments. Per RCW 43.03.050(3), in addition to the requirements noted in Subsection 70.10.20.a, coffee and light refreshments may be served to elective or appointive officials or state employees regardless of travel status where:

- The meeting or training session takes place away from the employee's or official's regular workplace; **and**

- The agency person responsible for the meeting receives agency approval for the serving of coffee and/or light refreshments **prior** to the event.

70.10.20c All legally authorized boards and commissions may provide coffee and/or light refreshments at their official public meetings, including executive sessions.

70.10.20.d Agencies are not required to provide coffee and/or light refreshments at meetings.

70.10.30 Expenditures for coffee and light refreshments are prohibited in some cases

May 1, 1999

Agencies **may not** make expenditures for coffee and/or light refreshments in the following situations:

- For anniversaries of agencies, receptions for new, existing, and/or retiring employees or officials, election celebrations, etc.
- Any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for coffee and/or light refreshments for those whom agencies are not legally authorized to reimburse.

70.10.40 Documentation of approval is required

May 1, 1999

Agencies must document the request and approval for expenditures for coffee and/or light refreshments. Agencies may use a Travel Authorization (form A40-A) or agency equivalent form, an Invoice Voucher (form A19-1A), or a formally written agency memorandum for this purpose. The documentation should provide support for the authorization, including:

- The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), and

- The purpose of the meeting or expenditure.

70.15
Meals with Meetings

70.15.10 Reimbursement for meals with meetings

July 1, 2014

70.15.10.a RCW 43.03.050(3) provides for reimbursement for meals, for certain business meetings (includes conferences, conventions, and formal training sessions) involving elective and appointive officials and state employees. Additionally, other statutes may authorize agencies to provide reimbursement for meals for other individuals regardless of travel status.

In accordance with Executive Order 13-06, executive cabinet agencies are required, and all other agencies strongly encouraged, to incorporate healthy food and beverages at meals with meetings when applicable. Refer to http://www.doh.wa.gov/CommunityandEnvironment/WorksiteWellness/HealthyNutritionGuidelines.aspx.

70.15.10.b The agency head or authorized designee may authorize reimbursement for the allowable cost of meals (refer to Subsections 10.40.40 and 10.90.20) for elective and appointive officials and state employees regardless of travel status, and without regard to the Three Hour Rule of Subsection 10.40.50.(1). This authority is intended for use when the agency requires a person to attend a meeting where business meals are served, and where:

- The purpose of the meeting is to conduct official state business or to provide training to state employees or state officials; and
- The meals are an integral part of the business meeting or training session, and
- The meeting or training session takes place away from the employee's or official's regular workplace, and
- The agency obtains a receipt for the actual costs of the meals with meetings, and
- The agency head or authorized designee approves payment for the meals **in advance** of the meeting by defining in the agency internal policies and procedures (Subsection 10.10.10) those meetings where attendance by **agency** employee(s), official(s) or others as authorized by statute, and reimbursement for the meals regardless of travel status,

is advantageous to the state.

Approvals must be in writing (Subsection 70.15.30). One-time approvals for recurring meetings can be made at the time of the initial request.

70.15.20 Expenditures for meals with meetings are prohibited in some cases

April 15, 2004

Agencies **may not** make expenditures for meals in the following situations:

- For anniversaries of agencies, receptions for new, existing, and/or retiring employees or officials, election celebrations, etc.
- Any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for meals for those whom agencies are not legally authorized to reimburse.

70.15.30 Documentation of advance approval for meals with meetings is required

April 15, 2004

Agencies must document the request and approval in advance for expenditures for meals with meetings. Agencies may use a Travel Authorization (form A40-A) or agency equivalent form, an Invoice Voucher (form A19-1A), or a formally written agency memorandum for this purpose. The documentation should provide support for the authorization, including:

- The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), **and**
- The purpose or accomplishments of the meeting.

70.20 Prospective Employee Interview Expenses

70.20.10 Agencies may pay certain expenses for qualified prospective employees

May 1, 1999

A state agency may pay a qualified prospective employee, as defined below, the necessary travel expense related to their employment interview or examination (RCW 43.03.130). The agency head has the responsibility to exercise prudent judgment in the payment of interview expenses and to follow the travel reimbursement policies stated in this section and in Chapter 10 of this policy manual.

70.20.20 Who is a qualified prospective employee?

July 1, 2010

Qualified prospective employees are limited to 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, or professional, or administrative employees in supervisory positions.

Community and technical colleges may pay travel expenses for prospective employees being considered for full-time faculty positions or administrative employees in supervisory positions.

The Washington State Investment Board may pay travel expenses for prospective employees being considered for investment officer positions.

70.20.30 Allowable travel expenses and reimbursement limits

May 1, 1999

Allowable travel expenses are defined as necessary expenses, reimbursable by law, incurred by a prospective employee in traveling to and from an interview or merit system examination. Travel expenses may include:

- Transportation expenses,
- Per diem expenses, and
- Other miscellaneous travel costs.

Travel expenses may be reimbursed at rates not to exceed those established for state employees in Chapter 10 of this policy manual. For example, the agency may reimburse the prospective employee for transportation costs not to exceed the lowest class fare for the transportation mode used.

70.20.40 How expenses should be documented and paid

January 1, 2012

The agency needs documentation of the travel expenses before reimbursing the prospective employee. The prospective employee should document and submit travel expenses on an Invoice Voucher (form A19-1A) or a Travel Expense Voucher (form A20-A) in the same detail as required for travel reimbursement to state employees. Original invoices should be attached to the voucher or the agency file location referenced.

70.20.50 Prior authorization is required for classified positions

January 1, 2012

With agency head authorization, an agency may pay for prospective employee interview expenses when the classified position is essential to carrying out the critical work of an agency, The requesting agency head is accountable for the action and required to have appropriate documentation.

70.40
Higher Education Enrollment Reporting

70.40.05 Purpose of these policies
August 1, 2006

The Higher Education Enrollment Reporting (HEER) policies and procedures serve as the basis for collecting data on higher education enrollment. This data is used by the Office of Financial Management and the Legislature for budget calculations as well as to track budgeted FTEs versus actual FTEs (full time equivalents), to monitor legislative mandates, to project short and long term enrollment and to conduct other related studies.

70.40.10 Authority for these policies
August 1, 2006

RCW 43.62.050 and RCW 28B.10.784 require the Office of Financial Management to collect and report higher education enrollment data.

70.40.20 Who must comply with these policies?
August 1, 2006

These policies apply to all public four-year institutions of higher education.

70.40.30 Special definitions
August 1, 2006

State-funded enrollment - Enrollment meeting **all** of the following conditions is considered state funded enrollment:

1) The course is a credit course.

2) The course is degree-applicable or is required for a student to make progress toward a degree, as certified by the institution.

3) The enrolled student does not receive a state sponsored tuition waiver per RCW 28B.15.0131 (certain American Indian students), RCW 28B.15.540 (residents age 60 or older), RCW 28B.15.558 (state employees), or RCW 28B.15.621 (3) (certain veterans).

4) Regular resident or non-resident tuition fees as per RCW 28B.15.067 and RCW 28B.15.100 are charged.

5) The course is not self-sustaining as defined in item 3 under definitions of self-sustaining immediately below.

Self-sustaining enrollment – Enrollment meeting **all** of the following conditions is considered self-sustaining enrollment:

1) The course is a credit course.

2) The enrolled student does not receive a state sponsored tuition waiver per RCW 28B.15.0131 (certain American Indian students), RCW 28B.15.540 (residents age 60 or older), RCW 28B.15.558 (state employees), or RCW 28B.15.621 (3) (certain veterans).

3) The direct costs of the course are entirely funded by Account 148, Institutions of Higher Education – Dedicated Local Account, or by external funds, or by a combination of the two.

Summer enrollment – All summer enrollments are self-sustaining except certain state-funded courses that have prior approval from OFM.

Fee-waiver enrollment – Enrollment meeting all of the following conditions is considered fee-waiver enrollment:

1) The course is a credit course.

2) The enrolled student receives a state sponsored tuition waiver per RCW 28B.15.0131 (certain American Indian students), RCW 28B.15.540 (residents age 60 or older), RCW 28B.15.558 (state employees), or RCW 28B.15.621 (3) (certain veterans).

Data element definitions used for higher education enrollment reporting in the Public Centralized Higher Education Enrollment System (PCHEES) and reporting formats for standard reports (HEER Tables 1–18A) and for the distance learning reports (HEER Tables 19–22) are available at http://www.ofm.wa.gov/hied/pchees/.

70.40.40 Higher Education Enrollment Reporting Requirements

August 1, 2006

Data for the HEER report must be submitted electronically in student unit record files through the PCHEES. All unit record files and reports submitted are considered official.

The following reporting requirements must be met:

1) Each data unit record submitted must include all required academic course enrollment and student characteristic information elements. Current requirements are available at http://www.ofm.wa.gov/hied/pchees/.

2) All credited course enrollments regardless of their type of funding, i.e., state funded, self-sustaining, or fee-waiver, must be reported.

3) Changes from the last reported regular term in the funding type of courses (i.e., from self-sustaining to state funded or vice versa) must be reported to the OFM Forecasting Division. A "Changes of Course Funding Types" form is available at http://www.ofm.wa.gov/hied/pchees/. The submitted form must be signed by the person authorized to complete the report. Summer term is not considered a regular term.

4) Remedial courses offered for credit must be flagged as remedial courses. A remedial course is a course that is designed to remedy a deficiency and qualify a student to take a regular credited academic course. A remedial course may be state-funded, self-sustaining, or fee-waiver. If a state-funded course is flagged as remedial, it must meet the requirements set forth in section 70.40.30.

5) To ensure that courses reported can be traced to the term in which they originate and end, all course data submitted must include start and end dates.

6) Reports for regular terms (fall, winter, and spring) must reflect net enrollment at the conclusion of the second Friday of instruction (the "10th day").

7) The net enrollment is enrollment after adjustments for drop, add, withdrawal, cancellation, and other relevant course enrollment transactions.

8) The 10th day report for a regular term can include enrollment of courses beginning after the 10th day of the prior regular term. The Fall 10th day data submittal can include enrollment of courses beginning after the end of summer and before the start of fall term.

9) Data for the summer term must be submitted at the end of the summer term.

70.60
Unified Business Identifier (UBI)

70.60.10 The purpose of the UBI
May 1, 1999

The purpose of the UBI is to provide a uniform means of identifying and servicing business entities and employers which are required to be registered with, licensed by, or regulated by any agency of the state of Washington. The UBI serves three purposes:

1. Simplifies business registration and record-keeping. Each business needs only one number to identify itself to any state agency.

2. Enables consolidation of periodic business reporting. In situations where a business is required to file reports with several agencies, these reports may be consolidated.

3. Enables consolidation and information sharing of state services. Agency records of a non-confidential nature relating to any individual business entity may be easily accessed.

70.60.20 The UBI and how it is used
May 1, 1999

The Unified Business Identifier (UBI) is standard nine digit sequential number used by all state agencies to uniquely identify a business entity. The UBI is intended to identify public and private business entities and employers.

Business Entity - Except for the exclusions noted below, a "business entity" or "business" is defined as any sole proprietor, partnership, corporation, or political subdivision of the state of Washington. It includes any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, joint venture, club, company, joint stock company, business trust, state or local agency, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise which is required to be registered with, or licensed by, any agency of the state of Washington and for which agency registration records are established or maintained.

Exclusions - Agencies need not establish UBIs for certain individuals as follows:

- Students;
- Private individuals receiving grants or subsidies;
- Employees, or past employees; and,
- Professional licensees, who are not employers or subject to state business taxes.

70.60.30 Certain agency systems must include the UBI

May 1, 1999

Any agency information system designed to process data relating to business entities, as defined in Subsection 70.60.20, shall carry the UBI as part of the agency's record for each business entity.

70.60.40 Assigning the UBI

May 1, 1999

A UBI is assigned to a business when it first registers with the Secretary of State's office, or Departments of Revenue, Labor and Industries, or Employment Security, or when it obtains a business registration or license issued through the Department of Licensing Business License Center. If an agency finds that a business does not have an assigned UBI, the agency should refer the business to offices of one of these agencies. For established businesses currently registered with the Department of Revenue, the tax registration number assigned by the Department of Revenue is the UBI.

70.60.50 Applicability

May 1, 1999

The provisions of this section are applicable to and binding to all agencies **that regulate, register, or license business entities** in the state of Washington.

70.70
Child Care Services for Children of State Employees

70.70.10 These policies establish minimum requirements

May 1, 1999

The purpose of this policy is to establish minimum requirements for the contracting of child care services for state government employees consistent with Chapter 41.04 RCW and RCW 43.88.160(4)(c) as amended by Laws of 1993, Chapter 194.

70.70.20 Identifying suitable space for a child care facility

January 1, 2012

70.70.20.a At the request of an organization of state employees interested in establishing a child care facility, an agency may work with the owner of the state-owned or state-leased building it occupies in whole or in part to identify space that is, or can be made, suitable for use as a child care facility.

70.70.20.b **Suitable space** is defined as space that is, or, with an identified financial resource, can be made, sufficient to meet licensing requirements as a child care facility. The space must be able to be 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.

70.70.30.c If suitable space cannot be identified in the building, the agency shall work with the Department of Enterprise Services to identify other suitable space. Nothing in this policy precludes agreements between agencies to identify suitable space for a child care facility that would serve employees of two or more agencies

70.70.30 Determining the rental rate for the space

January 1, 2012

The Department of Enterprise Services shall establish or negotiate the rental rate at which the identified suitable space would be made available for operation of a child care facility, a portion of which may be used by non-state employees for care of their children.

70.70.40 Child care facility contracting requirements

January 1, 2012

A contract is required between the owner of a building in which space for a child care facility is to be established and an agency whose employees will use services provided by the child care facility. This contract shall be negotiated by the Department of Enterprise Services (DES), under the provisions of RCW 43.82.010, and shall include, but not be limited to, the following provisions:

70.70.40.a DES, in consultation with the agency and an organization of state employees, will identify and specify the renovations and/or modifications to the building needed to support operation of a child care facility and negotiate with the owner of the identified suitable space the lowest price for those renovations or modifications. No moneys shall be committed to renovation or modification of the building until all of the following are complete:

1. A viable business plan for self-supporting operation of the child care facility has been prepared and agreed to by the agency, the organization of state employees, and the child care provider. The business plan should include at a minimum, a definition of the scope of services to be provided, their estimated costs (including any agency subsidy), and a projection of revenues based upon specific assumptions related to total average annual enrollment, fee structure, and proportion of children in care who are not dependents of state employees, if any.

2. The child care provider commits to meeting all licensing requirements.

3. Funding for the child care facility has been allocated to the agency for renovation or modification of suitable space in a state-owned building, or the Director of the Office of Financial Management (OFM) has approved agency payment of higher lease costs reflecting the cost of renovation or modification to suitable space financed by the owner of a leased building.

4. The director of OFM has approved the amount of the subsidy related to operation of the child care facility. Subsidy is defined as the difference between an annual rental rate established as a result of Subsection 70.70.30 and a lower annual rental rate for suitable space made available to the child care provider that is approved by the director of OFM. The monthly value of this subsidy for state employees with children in the facility's care equals the annual subsidy divided by twelve months divided by the projected monthly average enrollment of children of state employees.

70.70.40.b The owner is obligated to maintain the space in a condition that is safe for use as a child care facility.

70.70.50 Child care program contracting requirements

January 1, 2012

Either an agency or an organization of state employees may contract with a child care provider. A contract with a child care provider shall include, but not be limited to, the following provisions:

70.70.50.a The dates and hours that the facility will be open and operating will be stated.

70.70.50.b The child care provider will provide reimbursement for repairs of any damage to the facility beyond wear and tear related to normal use of space.

70.70.50.c The provider shall be responsible for providing and maintaining equipment, furniture, or appliances in the facility or, if originally provided by the agency, the provider shall replace equipment, furniture and appliances at the termination of the contract. Supplies, program materials, and other related items are the sole responsibility of the child care provider.

70.70.50.d The provider shall plan, and accept responsibility, for maintaining adequate security of the children in its care, including keeping the children within the space allocated to the facility.

70.70.50.e The agency shall not be responsible for day-to-day management, monitoring, quality control, dispute resolution or other like activities related to the child care provider. These responsibilities shall be assigned to the organization of state employees or to the child care provider, as appropriate.

70.70.50.f Rates and the factors affecting them are to be explicitly stated. If the agency is subsidizing facility costs, the monthly rate for children of state employees and others requiring similar care will differ by the size of the average monthly subsidy divided by the projected average number of children of state employees in care each month as assumed in the business plan. No less than quarterly, the provider will reimburse the agency in the amount of the average subsidy times the number of child-months of non-state employee children in care in excess of the projection.

70.70.50.g The provider shall carry sufficient insurance and provide indemnification of the state and the agency from any liability associated with activities of the child care provider.

70.70.50.h The provider shall maintain books, records, documents and other evidence of accounting procedures and practices which sufficiently and properly reflect all costs of any nature expended in the performance of the contract. These records shall be subject at all reasonable times to inspection, review, or audit by personnel duly authorized by the agency and the Office of the State Auditor.

70.70.50.i The provider shall provide right of access to its facilities to the agency, the Department of Enterprise Services, the organization of state employees, or to any other authorized agent or official of the state of Washington in order to monitor and evaluate performance, compliance, and quality assurance under the contract.

70.75
Suspected Losses of Public Funds or Property

70.75.10 Purpose of these policies
June 1, 2016

The purpose of these policies is to establish how a state agency must respond in the event of a suspected loss of public funds or property.

70.75.20 Authority for these policies
June 1, 2016

The authority for these policies is RCW 43.88.160, RCW 43.09.185 and RCW 43.09.330.

70.75.30 Applicability of these policies
June 1, 2016

These policies are applicable to all agencies of the state of Washington as defined in RCW 43.88.020(4), unless otherwise exempted by statute or rule.

70.75.40 Responsibilities of the State Agency

June 1, 2016

Agencies are responsible to establish procedures that detail how to address a suspected loss of public funds or property. The procedures are to identify appropriate personnel who should be immediately notified prior to contacting the outside agencies. This may include the agency head or deputies, chief financial officer, or internal auditor depending upon the circumstances.

Further in the event of a suspected loss of public funds or property, the agency should:

a. Take action to minimize the loss.

b. Ensure that investigations are not hampered.

c. Ensure that bond claims are not jeopardized.

d. Ensure that appropriate personnel actions are taken.

e. If appropriate, report the suspected loss to the Department of Enterprise Services Risk Management Office.

f. Comply with RCW 43.09.185 and immediately report losses to the Office of the State Auditor (SAO).

g. Comply with RCW 43.09.330 and include the SAO and the Office of the Attorney General in any loss settlement.

Chapter 75 - Uniform Chart of Accounts

75.10 Coding Structures

75.10.10	About the uniform chart of accounts	June 1, 2015
75.10.20	Descriptions of the code types	June 1, 2015

75.20 Agency Codes and Authorized Abbreviations

75.20.10	Sequential by code number	July 1, 2015
75.20.20	Alphabetical by title	July 1, 2015
75.20.30	Sequential by code number within functional group	July 1, 2015

75.30 Fund / Account Codes

75.30.10	GAAP fund types	June 1, 2011
75.30.20	Cash and budget type codes	Jan. 1, 2016
75.30.30	Fund types and subsidiary accounts - government-wide statement codes	July 1, 2002
75.30.40	Roll-up funds and subsidiary accounts - fund statement codes	July 1, 2015
75.30.50	Account codes: sequential by code number	Jan. 1, 2017
75.30.60	Account codes: alphabetical by title	Jan. 1, 2017

75.40 General Ledger Account Codes

75.40.10	Sequential by code number	Oct. 1, 2016
75.40.20	Sequential by code number with description	Oct. 1, 2016

75.50 Expenditure Authority Codes

75.50.10	Expenditure authority type and expenditure character codes with descriptions	Oct. 1, 2016
75.50.20	Operating expenditure authority codes	Jan. 1, 2016
75.50.30	Capital expenditure authority codes	April 1, 2009
75.50.40	Schedule of expenditure authority types and codes not included on the Expenditure Authority Schedule	June 1, 2009

75.60 Statewide Program Codes

75.60.10	Sequential by code number with descriptions	Oct. 1, 2016

75.65 Statewide Project Type Codes

75.65.10	Information technology data needs	July 1, 2010
75.65.20	Special provisions for information technology project type coding	July 1, 2010
75.65.30	Sequential by code number with descriptions	July 1, 2010

75.70 Object/Subobject/Sub-subobject Codes

75.70.10	Sequential by code number	July 1, 2014
75.70.20	Sequential by code number with description	July 1, 2015

75.80 Revenue Source Codes

75.80.10	Categories of revenue	June 1, 2004
75.80.20	Major revenue source code descriptions	July 1, 2003
75.80.30	Sequential by code number	Oct. 1, 2016
75.80.40	Sequential by code number with description	Oct. 1, 2016

75.10
Coding Structures

75.10.10 About the uniform chart of accounts

June 1, 2015

	Mandatory Codes	Agency Designated Codes
Types	• Agency • General Ledger • Account • Expenditure Authority • Object • Subobject • Sub-subobject – statewide (HRMS) • Revenue Source • Program • Project Type (for information technology expenses/expenditures)	• Subprogram • Sub-subobject – other than used in HRMS • Subsource • Organization • Project • Project Type
Purpose	• Provide conformity and a uniform means for comparing and analyzing assets, liabilities, fund equity, revenues, and expenses between agencies. • Provide for a common and uniform understanding of the mandatory codes, their concept, and structure. • Enable preparation of the state's combined annual financial statements and schedules.	• Provide agencies the means for internal comparison and analysis of activity at a detail level. • Allow agencies to develop an internal, common coding system to report on agency activity.
Discretion in Use	Use of any mandatory codes other than those authorized in this chapter must be approved in writing by the Director or an authorized designee of the Office of Financial Management (OFM). Program codes are established either through the budget process or the program structure change process.	Use of agency designated codes is at the option of the agency, except for the following: • The Department of Social and Health Services and the State Health Care Authority require approval by OFM for sub-program and budget unit codes. • Project type codes must be selected from the OFM-maintained table.

75.10.20 Descriptions of the code types

July 1, 2010

75.10.20.a **Agency Codes** - Used for the identification of state agencies. Refer to Section 75.20 for the statewide agency codes and authorized abbreviations.

75.10.20.b **Fund/Account Codes** - Used to identify the accounting entity against which the transaction is to be charged. Refer to Section 75.30 for the authorized statewide account codes.

75.10.20.c **General Ledger Account Codes** - Used to classify in summary form all transactions of an accounting entity. For internal purposes agencies may further refine the general ledger account codes; however, such refinements are to be converted back to the authorized statewide general ledger account codes before submission to the Agency Financial Reporting System (AFRS). Refer to Section 75.40 for the authorized statewide general ledger account codes.

75.10.20.d **Expenditure Authority Codes -** Used to identify each legislative or executive authorization. Expenditure authority codes are assigned specifically for an agency each biennium by the Office of Financial Management (OFM). Expenditure authority codes are three (3) digits; refer to Section 75.50 for the authorized expenditure authority type codes, expenditure character codes, and operating and capital expenditure authority code ranges.

75.10.20.e **Program Codes** - Generally agency designated codes used to identify the major activities or functions within a single agency; however, there are a limited number of mandatory statewide codes used to identify special functions. Refer to Section 75.60 for the authorized statewide program codes.

75.10.20.f **Object/Subobject Codes** - Used to classify expenditures. Refer to Section 75.70 for the authorized statewide object/subobject codes.

75.10.20.g **Revenue Source Codes** - Used to identify the original category from which revenue is derived. Refer to Section 75.80 for the authorized statewide revenue source codes.

75.10.20.h **Sub-program Codes** - Used to identify activity within a program.

75.10.20.i **Sub-subobject Codes** - Used to identify a particular expenditure item within a subobject.

75.10.20.j **Sub-source Codes** - Used to identify a particular revenue item within a major source.

75.10.20.k **Organization Codes -** Used to identify or accumulate costs by cost centers.

75.10.20.l **Project Codes -** Used to identify tasks for which there are specific results. Project codes can be used over multiple years and biennia to accumulate transaction results over time. Project codes must have an associated project type. Agency use of project codes is optional.

75.10.20.m **Project Type Codes -** Used to identify a characteristic of a project. Agencies must choose from the OFM-maintained project type table for these codes. Refer to Section 75.65 for the authorized statewide project type codes.

75.20
Agency Codes and Authorized Abbreviations

75.20.10 Sequential by code number

July 1, 2015

AGENCY NUMBER	AGENCY TITLE
0010	State Revenue for Distribution (SRD)
0050	Federal Revenue for Distribution (FRD)
0100	Bond Retirement and Interest (BRI)
0110	House of Representatives (REP)
0120	Senate (SEN)
0130	Joint Transportation Committee (JTC)
0140	Joint Legislative Audit and Review Committee (JLARC)
0200	Legislative Evaluation and Accountability Program Committee (LEAP)
0350	Office of the State Actuary (OSA)
0370	Office of Legislative Support Services (LSS)
0380	Joint Legislative Systems Committee (JLS)
0400	Statute Law Committee (SLC)
0450	Supreme Court (SUP)
0460	State Law Library (LAW)
0480	Court of Appeals (COA)
0500	Commission on Judicial Conduct (CJC)
0550	Administrative Office of the Courts (AOC)
0560	Office of Public Defense (OPD)
0570	Office of Civil Legal Aid (OCLA)
0750	Office of the Governor (GOV)
0760	Special Appropriations to the Governor (SAG)
0800	Office of the Lieutenant Governor (LTG)
0820	Public Disclosure Commission (PDC)
0850	Office of the Secretary of State (SEC)
0860	Governor's Office of Indian Affairs (INA)
0870	Washington State Commission on Asian Pacific American Affairs (APA)
0900	Office of the State Treasurer (OST)
0910	Redistricting Commission (RDC)
0950	Office of the State Auditor (SAO)
0990	Washington Citizens' Commission on Salaries for Elected Officials (COS)

AGENCY NUMBER	AGENCY TITLE
1000	Office of the Attorney General (ATG)
1010	Caseload Forecast Council (CFC)
1020	Department of Financial Institutions (DFI)
1030	Department of Commerce (COM)
1040	Economic and Revenue Forecast Council (ERFC)
1050	Office of Financial Management (OFM)
1060	Washington Economic Development Finance Authority (EDA)
1070	State Health Care Authority (HCA)
1100	Office of Administrative Hearings (OAH)
1160	State Lottery Commission (LOT)
1170	Washington State Gambling Commission (GMB)
1180	Washington State Commission on Hispanic Affairs (CHA)
1190	Washington State Commission on African-American Affairs (CAA)
1200	Human Rights Commission (HUM)
1240	Department of Retirement Systems (DRS)
1260	State Investment Board (SIB)
1400	Department of Revenue (DOR)
1420	Board of Tax Appeals (BTA)
1470	Office of Minority and Women's Business Enterprises (OMWBE)
1480	Washington State Housing Finance Commission (HFC)
1600	Office of the Insurance Commissioner (INS)
1630	Consolidated Technology Services (CTS)
1650	State Board of Accountancy (ACB)
1670	Forensic Investigation Council (FIC)
1790	Department of Enterprise Services (DES)
1850	Washington Horse Racing Commission (HRC)
1900	Board of Industrial Insurance Appeals (IND)
1950	Liquor and Cannabis Board (LCB)
2050	Board of Pilotage Commissioners (BPC)
2150	Utilities and Transportation Commission (UTC)
2200	Board for Volunteer Firefighters and Reserve Officers (BVFFRO)
2250	Washington State Patrol (WSP)
2270	Washington State Criminal Justice Training Commission (CJT)
2280	Washington Traffic Safety Commission (STS)
2350	Department of Labor and Industries (L&I)

AGENCY NUMBER	AGENCY TITLE
2400	Department of Licensing (DOL)
2450	Military Department (MIL)
2750	Public Employment Relations Commission (PERC)
3000	Department of Social and Health Services (DSHS)
3030	Department of Health (DOH)
3040	Tobacco Settlement Authority (TOB)
3050	Department of Veterans' Affairs (DVA)
3100	Department of Corrections (DOC)
3150	Department of Services for the Blind (DSB)
3400	Student Achievement Council (SAC)
3410	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
3460	Washington Higher Education Facilities Authority (WHEFA)
3500	Superintendent of Public Instruction (SPI)
3510	State School for the Blind (SFB)
3520	State Board for Community and Technical Colleges (SBCTC)
3530	Washington State Center for Childhood Deafness and Hearing Loss (CDHL)
3540	Workforce Training and Education Coordinating Board (WFTECB)
3550	Department of Archaeology and Historic Preservation (DAHP)
3560	Life Sciences Discovery Fund Authority (LSDFA)
3570	Department of Early Learning (DEL)
3590	Washington Charter School Commission (WCSC)
3600	University of Washington (UW)
3650	Washington State University (WSU)
3700	Eastern Washington University (EWU)
3750	Central Washington University (CWU)
3760	The Evergreen State College (TESC)
3800	Western Washington University (WWU)
3870	Washington State Arts Commission (ART)
3900	Washington State Historical Society (WHS)
3950	Eastern Washington State Historical Society (EWH)
4050	Department of Transportation (DOT)
4060	County Road Administration Board (CRAB)
4070	Transportation Improvement Board (TIB)
4100	Transportation Commission (TRC)
4110	Freight Mobility Strategic Investment Board (FMSIB)

AGENCY NUMBER	AGENCY TITLE
4120	Washington Materials Management and Financing Authority (WMMFA)
4600	Columbia River Gorge Commission (CRG)
4610	Department of Ecology (ECY)
4620	Washington Pollution Liability Insurance Program (PLI)
4650	State Parks and Recreation Commission (PARKS)
4670	Recreation and Conservation Funding Board (RCFB)
4680	Environmental and Land Use Hearings Office (ELUHO)
4710	State Conservation Commission (SCC)
4770	Department of Fish and Wildlife (DFW)
4780	Puget Sound Partnership (PSP)
4900	Department of Natural Resources (DNR)
4950	Department of Agriculture (AGR)
5000	Apple Commission (APPLE)
5010	Alfalfa Seed Commission (ALFALFA)
5020	Beef Commission (BEEF)
5030	Blueberry Commission (BLUE)
5050	Bulb Commission (BULB)
5060	Asparagus Commission (ASPAR)
5070	Cranberry Commission (CRAN)
5080	Oilseeds Commission (OIL)
5100	Dairy Products Commission (DAIRY)
5120	Dry Pea and Lentil Commission (DRYPL)
5150	Fruit Commission (FRUIT)
5210	Hardwoods Commission (HRWD)
5220	Hop Commission (HOP)
5240	Puget Sound Gillnet Salmon Commission (GILLNET)
5250	Potato Commission (POTATO)
5260	Strawberry Commission (STRAW)
5280	Mint Commission (MINT)
5290	Red Raspberry Commission (RASP)
5300	Seed Potato Commission (SEED)
5320	Turf Grass Seed Commission (TURF)
5330	Tree Fruit Research Commission (TREE)
5340	Wine Commission (WINE)
5350	Grain Commission (GRAIN)
5400	Employment Security Department (ES)
5450	Beer Commission (BEER)

AGENCY NUMBER	AGENCY TITLE
5990	Washington Health Care Facilities Authority (WHCFA)
6050	Everett Community College (EVC)
6100	Edmonds Community College (EDC)
6210	Whatcom Community College (WHC)
6270	Bellevue College (BC)
6290	Big Bend Community College (BBC)
6320	Centralia College (CEC)
6340	Cascadia College (CC)
6350	Clark College (CLC)
6370	Pierce College (PIE)
6390	Columbia Basin College (CBC)
6480	Grays Harbor College (GHC)
6490	Green River College (GRC)
6520	Highline College (HC)
6570	Lower Columbia College (LCC)
6620	Olympic College (OLC)
6650	Peninsula College (PEC)
6700	Seattle Community Colleges - District 6 (SCCD-6)
6720	Shoreline Community College (SHC)
6740	Skagit Valley College (SVC)
6750	South Puget Sound Community College (SPS)
6760	Spokane Community Colleges - District 17 (SCCD-17)
6780	Tacoma Community College (TCC)
6830	Walla Walla Community College (WLC)
6860	Wenatchee Valley College (WVC)
6910	Yakima Valley Community College (YVC)
6920	Lake Washington Institute of Technology (LWIT)
6930	Renton Technical College (RTC)
6940	Bellingham Technical College (BTC)
6950	Bates Technical College (BATES)
6960	Clover Park Technical College (CPTC)
6990	Community and Technical College System (CTCS)
7000	OFM Financial Statement Control (OFMFSC)
7010	Treasurer's Transfers (TRANSFER)
7050	Treasurer's Deposit Income (DEPINC)

AGENCY NUMBER	AGENCY TITLE
7070	Sundry Claims (SUNDRY)
7100	Workfirst Performance Measures (WPM)
7160	Agency Loans (LOAN)
7170	One Time Grants (GRANT)
7270	Stadium and Exhibition Center Distributions (SECD)
7300	OFM Cash Flow Adjustments - General Fund - State (CFGFS)
7310	OFM Cash Flow Adjustments - General Fund - Federal/Private Local (CFGFF/PL)
7320	OFM Cash Flow Adjustments - All Other Funds (CFOTHER)
7400	Contributions to Retirement Systems (CRS)
7800	OFM SWFS Administration
7900	OST - Cash and Warrant Control (STCWC)
8000	Counties (COUNTY)
8500	Cities and Towns (CITY)
8600	Local Health Districts (LHD)
9440	Washington State School Director's Association (SDA)

Note 1:
Under RCW 43.88.240, unless otherwise directed by enabling statute, the Agricultural Commodity Commissions (Agencies 5000 through 5350, and 5450) are not subject to the Budget and Accounting Act. These commissions are not included in the Agency Financial Reporting System (AFRS).

Note 2:
For accounting purposes, the State Board for Community and Technical Colleges (Agency 3520) and the individual community and technical colleges (Agencies 6050 through 6960) are not included in AFRS.

Statewide financial data for these agencies, including interagency receivables and payables, are to be reported under the Community and Technical College System (Agency 6990). However, for interagency receivables and payables, the individual college is to be used for subsidiary coding. Refer to Subsection 90.20.50.c.

Note 3:
Agencies 0010, 0050, 0100, 0760, and 7000 to 7900 are utilized for administrative purposes only.

AGENCY NUMBER	AGENCY TITLE
	Note 4: Agencies 8000 through 9440 are utilized for recording activity between the state and local government entities (for a detailed listing see the AFRS D37 table for counties and D38 table for cities and towns). **Note 5**: For accounting purposes, the state's component units (agencies 1060, 1480, 3040, 3460, 4120, 5990, and 7270) are not included in AFRS.

75.20.20 Alphabetical By Title

July 1, 2015

AGENCY NUMBER	AGENCY TITLE
1650	Accountancy, State Board of (ACB)
0350	Actuary, Office of the State (OSA)
1100	Administrative Hearings, Office of (OAH)
0550	Administrative Office of the Courts (AOC)
1190	African-American Affairs, Washington State Commission on (CAA)
7160	Agency Loans (LOAN)
4950	Agriculture, Department of (AGR)
5010	Alfalfa Seed Commission (ALFALFA)
5000	Apple Commission (APPLE)
3550	Archaeology and Historic Preservation, Department of (DAHP)
3870	Arts Commission, Washington State (ART)
0870	Asian Pacific American Affairs, Washington State Commission on (APA)
5060	Asparagus Commission (ASPAR)
1000	Attorney General, Office of the (ATG)
0950	Auditor, Office of the State (SAO)
6950	Bates Technical College (BATES)
5020	Beef Commission (BEEF)
5450	Beer Commission (BEER)
6270	Bellevue College (BC)
6940	Bellingham Technical College (BTC)
6290	Big Bend Community College (BBC)
3150	Blind, Department of Services for the (DSB)
3510	Blind, State School for the (SFB)
5030	Blueberry Commission (BLUE)
0100	Bond Retirement and Interest (BRI)
5050	Bulb Commission (BULB)
6340	Cascadia College (CC)
1010	Caseload Forecast Council (CFC)
3750	Central Washington University (CWU)
6320	Centralia College (CEC)
3530	Childhood Deafness and Hearing Loss, Washington State Center for (CDHL)
8500	Cities and Towns (CITY)
0570	Civil Legal Aid, Office of (OCLA)
6350	Clark College (CLC)
6960	Clover Park Technical College (CPTC)
6390	Columbia Basin College (CBC)

AGENCY NUMBER	AGENCY TITLE
4600	Columbia River Gorge Commission (CRG)
1030	Commerce, Department of (COM)
3520	Community and Technical Colleges, State Board For (SBCTC)
6990	Community and Technical College System (CTCS)
4710	Conservation Commission, State (SCC)
1630	Consolidated Technology Services (CTS)
7400	Contributions to Retirement Systems (CRS)
3100	Corrections, Department of (DOC)
8000	Counties (COUNTY)
4060	County Road Administration Board (CRAB)
0480	Court of Appeals (COA)
5070	Cranberry Commission (CRAN)
2270	Criminal Justice Training Commission, Washington State (CJT)
5100	Dairy Products Commission (DAIRY)
5120	Dry Pea and Lentil Commission (DRYPL)
3570	Early Learning, Department of (DEL)
3700	Eastern Washington University (EWU)
4610	Ecology, Department of (ECY)
1040	Economic and Revenue Forecast Council (ERFC)
1060	Economic Development Finance Authority, Washington (EDA)
6100	Edmonds Community College (EDC)
5400	Employment Security, Department of (ES)
1790	Enterprise Services, Department of (DES)
4680	Environmental and Land Use Hearings Office (ELUHO)
6050	Everett Community College (EVC)
1020	Financial Institutions, Department of (DFI)
1050	Financial Management, Office of (OFM)
7000	Financial Statement Control, OFM (OFMFSC)
4770	Fish and Wildlife, Department of (DFW)
1670	Forensic Investigations Council (FIC)
4110	Freight Mobility Strategic Investment Board (FMSIB)
5150	Fruit Commission (FRUIT)
1170	Gambling Commission, State (GMB)
0750	Governor, Office of the (GOV)
5350	Grain Commission (GRAIN)
6480	Grays Harbor College (GHC)
6490	Green River College (GRC)
5210	Hardwoods Commission (HRWD)

AGENCY NUMBER	AGENCY TITLE
3030	Health, Department of (DOH)
1070	Health Care Authority, State (HCA)
5990	Health Care Facilities Authority, Washington (WHCFA)
3460	Higher Education Facilities Authority, Washington (WHEFA)
6520	Highline College (HC)
1180	Hispanic Affairs, Washington State Commission on (CHA)
3950	Historical Society, Eastern Washington State (EWH)
3900	Historical Society, Washington State (WHS)
5220	Hop Commission (HOP)
1850	Horse Racing Commission, Washington (HRC)
0110	House of Representatives (REP)
1480	Housing Finance Commission, Washington State (HFC)
1200	Human Rights Commission (HUM)
0860	Indian Affairs, Governor's Office of (INA)
1900	Industrial Insurance Appeals, Board of (IND)
1600	Insurance Commissioner, Office of the (INS)
1260	Investment Board, State (SIB)
0140	Joint Legislative Audit and Review Committee (JLARC)
0380	Joint Legislative Systems Committee (JLS)
0130	Joint Transportation Committee (JTC)
0500	Judicial Conduct, Commission on (CJC)
2350	Labor and Industries, Department of (L&I)
6920	Lake Washington Institute of Technology (LWIT)
3410	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
0460	Law Library, State (LAW)
0200	Legislative Evaluation and Accountability Program Committee (LEAP)
0370	Legislative Support Services, Office of (LSS)
2400	Licensing, Department of (DOL)
0800	Lieutenant Governor, Office of the (LTG)
3560	Life Sciences Discovery Fund Authority (LSDFA)
1950	Liquor and Cannabis Board (LCB)
8600	Local Health Districts (LHD)
1160	Lottery Commission, State (LOT)
6570	Lower Columbia College (LCC)

AGENCY NUMBER	AGENCY TITLE
4120	Materials Management and Financing Authority, Washington (WMMFA)
2450	Military Department (MIL)
1470	Minority and Women's Business Enterprises, Office of (OMWBE)
5280	Mint Commission (MINT)
4900	Natural Resources, Department of (DNR)
7320	OFM Cash Flow Adjustments - All Other Funds (CFOTHER)
7310	OFM Cash Flow Adjustments - General Fund Federal/Private Local (CFGFF/PL)
7300	OFM Cash Flow Adjustments - General Fund State (CFGFS)
7800	OFM SWFS Administration
5080	Oilseeds Commission (OIL)
6620	Olympic College (OLC)
7170	One Time Grants (GRANT)
7900	OST - Cash and Warrant Control (STCWC)
4650	Parks and Recreation Commission, State (PARKS)
2250	Patrol, Washington State (WSP)
6650	Peninsula College (PEC)
6370	Pierce College (PIE)
2050	Pilotage Commissioners, Board of (BPC)
4620	Pollution Liability Insurance Program, Washington (PLI)
5250	Potato Commission (POTATO)
0560	Public Defense, Office of (OPD)
0820	Public Disclosure Commission (PDC)
2750	Public Employment Relations Commission (PERC)
3500	Public Instruction, Superintendent of (SPI)
5240	Puget Sound Gillnet Salmon Commission (GILLNET)
4780	Puget Sound Partnership (PSP)
4670	Recreation and Conservation Funding Board (RCFB)
5290	Red Raspberry Commission (RASP)
0910	Redistricting Commission (RDC)
6930	Renton Technical College (RTC)
1240	Retirement Systems, Department of (DRS)
1400	Revenue, Department of (DOR)
0050	Revenue for Distribution, Federal (FRD)
0010	Revenue for Distribution, State (SRD)

AGENCY NUMBER	AGENCY TITLE
0990	Salaries for Elected Officials, Washington Citizens' Commission on (COS)
9440	School Director's Association, Washington State (SDA)
6700	Seattle Community Colleges - District 6 (SCCD-6)
0850	Secretary of State, Office of the (SEC)
5300	Seed Potato Commission (SEED)
0120	Senate (SEN)
6720	Shoreline Community College (SHC)
6740	Skagit Valley College (SVC)
3000	Social and Health Services, Department of (DSHS)
6750	South Puget Sound Community College (SPS)
0760	Special Appropriations to the Governor (SAG)
6760	Spokane Community Colleges - District 17 (SCCD-17)
7270	Stadium and Exhibition Center Distributions (SECD)
0400	Statute Law Committee (SLC)
5260	Strawberry Commission (STRAW)
3400	Student Achievement Council (SAC)
7070	Sundry Claims (SUNDRY)
0450	Supreme Court (SUP)
6780	Tacoma Community College (TCC)
1420	Tax Appeals, Board of (BTA)
3760	The Evergreen State College (TESC)
3040	Tobacco Settlement Authority (TOB)
2280	Traffic Safety Commission, Washington (STS)
4050	Transportation, Department of (DOT)
4100	Transportation Commission (TRC)
4070	Transportation Improvement Board (TIB)
0900	Treasurer, Office of the State (OST)
7050	Treasurer's Deposit Income (DEPINC)
7010	Treasurer's Transfers (TRANSFER)
5330	Tree Fruit Research Commission (TREE)
5320	Turf Grass Seed Commission (TURF)
3600	University of Washington (UW)
2150	Utilities and Transportation Commission (UTC)
3050	Veterans' Affairs, Department of (DVA)
2200	Volunteer Firefighters and Reserve Officers, Board for (BVFFRO)

AGENCY NUMBER	AGENCY TITLE
6830	Walla Walla Community College (WLC)
3590	Washington Charter School Commission (WCSC)
3650	Washington State University (WSU)
6860	Wenatchee Valley College (WVC)
3800	Western Washington University (WWU)
6210	Whatcom Community College (WHC)
5340	Wine Commission (WINE)
3540	Workforce Training and Education Coordinating Board (WFTECB)
7100	Workfirst Performance Measures (WPM)
6910	Yakima Valley Community College (YVC)

Note 1:
Under RCW 43.88.240, unless otherwise directed by enabling statute, the Agricultural Commodity Commissions (Agencies 5000 through 5350, and 5450) are not subject to the Budget and Accounting Act. These commissions are not included in the Agency Financial Reporting System (AFRS).

Note 2:
For accounting purposes, the State Board for Community and Technical Colleges (Agency 3520) and the individual community and technical colleges (Agencies 6050 through 6960) are not included in AFRS. Statewide financial data for these agencies, including interagency receivables and payables, are to be reported under the Community and Technical College System (Agency 6990). However, for interagency receivables and payables, the individual college is to be used for subsidiary coding. Refer to Subsection 90.20.50.c.

Note 3:
Agencies 0010, 0050, 0100, 0760, and 7000 to 7900 are utilized for administrative purposes only

Note 4:
Agencies 8000 through 9440 are utilized for recording activity between the state and local government entities (for a detailed listing see the AFRS D37 table for counties and D38 table for cities and towns).

Note 5:
For accounting purposes, the state's component units (agencies 1060, 1480, 3040, 3460, 4120, 5990, and 7270) are not included in AFRS.

75.20.30 Sequential by code number within functional group

July 1, 2015

AGENCY NUMBER	AGENCY TITLE
	10 - GENERAL GOVERNMENT (F1)
	11 - General Government - Legislative
0110	House of Representatives (REP)
0120	Senate (SEN)
0130	Joint Transportation Committee (JTC)
0140	Joint Legislative Audit and Review Committee (JLARC)
0200	Legislative Evaluation and Accountability Program Committee (LEAP)
0350	Office of the State Actuary (OSA)
0370	Office of Legislative Support Services (LSS)
0380	Joint Legislative Systems Committee (JLS)
0400	Statute Law Committee (SLC)
0910	Redistricting Commission (RDC)
	12 - General Government - Judicial
0450	Supreme Court (SUP)
0460	State Law Library (LAW)
0480	Court of Appeals (COA)
0500	Commission on Judicial Conduct (CJC)
0550	Administrative Office of the Courts (AOC)
0560	Office of Public Defense (OPD)
0570	Office of Civil Legal Aid (OCLA)
	19 - General Government - Governmental Operations
0750	Office of the Governor (GOV)
0800	Office of the Lieutenant Governor (LTG)
0820	Public Disclosure Commission (PDC)
0850	Office of the Secretary of State (SEC)
0860	Governor's Office of Indian Affairs (INA)
0870	Washington State Commission on Asian Pacific American Affairs (APA)
0900	Office of the State Treasurer (OST)
0950	Office of the State Auditor (SAO)
0990	Washington Citizens' Commission on Salaries for Elected Officials (COS)
1000	Office of the Attorney General (ATG)

AGENCY NUMBER	AGENCY TITLE
1010	Caseload Forecast Council (CFC)
1020	Department of Financial Institutions (DFI)
1030	Department of Commerce (COM)
1040	Economic and Revenue Forecast Council (ERFC)
1050	Office of Financial Management (OFM)
1060	Washington Economic Development Finance Authority (EDA)
1100	Office of Administrative Hearings (OAH)
1160	State Lottery Commission (LOT)
1170	Washington State Gambling Commission (GMB)
1180	Washington State Commission on Hispanic Affairs (CHA)
1190	Washington State Commission on African-American Affairs (CAA)
1240	Department of Retirement Systems (DRS)
1260	State Investment Board (SIB)
1400	Department of Revenue (DOR)
1420	Board of Tax Appeals (BTA)
1470	Office of Minority and Women's Business Enterprises (OMWBE)
1480	Washington State Housing Finance Commission (HFC)
1600	Office of the Insurance Commissioner (INS)
1630	Consolidated Technology Services (CTS)
1650	State Board of Accountancy (ACB)
1670	Forensic Investigations Council (FIC)
1850	Washington Horse Racing Commission (HRC)
1790	Department of Enterprise Services (DES)
1950	Liquor and Cannabis Board (LCB)
2150	Utilities and Transportation Commission (UTC)
2200	Board for Volunteer Firefighters and Reserve Officers (BVFFRO)
2450	Military Department (MIL)
2750	Public Employment Relations Commission (PERC)
3410	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
3550	Department of Archaeology and Historic Preservation (DAHP)
3560	Life Sciences Discovery Fund Authority (LSDFA)
5990	Washington Health Care Facilities Authority (WHCFA)

AGENCY NUMBER	AGENCY TITLE
	20 - HUMAN SERVICES (F2)
	21 - Human Services - D.S.H.S.
3000	Department of Social and Health Services (DSHS)
	29 - Human Services - Other
1070	Washington State Health Care Authority (HCA)
1200	Human Rights Commission (HUM)
1900	Board of Industrial Insurance Appeals (IND)
2270	Washington State Criminal Justice Training Commission (CJT)
2350	Department of Labor and Industries (L&I)
3030	Department of Health (DOH)
3040	Tobacco Settlement Authority (TOB)
3050	Department of Veterans' Affairs (DVA)
3100	Department of Corrections (DOC)
3150	Department of Services for the Blind (DSB)
5400	Department of Employment Security (ES)
	30 - NATURAL RESOURCES AND RECREATION (F3)
	31 - Natural Resources and Recreation
4120	Washington Materials Management and Financing Authority (WMMFA)
4600	Columbia River Gorge Commission (CRG)
4610	Department of Ecology (ECY)
4620	Washington Pollution Liability Insurance Program (PLI)
4650	State Parks and Recreation Commission (PARKS)
4670	Recreation and Conservation Funding Board (RCFB)
4680	Environmental and Land Use Hearings Office (ELUHO)
4710	State Conservation Commission (SCC)
4770	Department of Fish and Wildlife (DFW)
4780	Puget Sound Partnership (PSP)
4900	Department of Natural Resources (DNR)
4950	Department of Agriculture (AGR)
	39 - Agricultural Commodity Commissions
5000	Apple Commission (APPLE)
5010	Alfalfa Seed Commission (ALFALFA)
5060	Asparagus Commission (ASPAR)
5020	Beef Commission (BEEF)

AGENCY NUMBER	AGENCY TITLE
5030	Blueberry Commission (BLUE)
5050	Bulb Commission (BULB)
5070	Cranberry Commission (CRAN)
5080	Oilseeds Commission (OIL)
5100	Dairy Products Commission (DAIRY)
5120	Pea and Lentil Commission (DRYPL)
5150	Fruit Commission (FRUIT)
5210	Hardwoods Commission (HRWD)
5220	Hop Commission (HOP)
5240	Puget Sound Gillnet Salmon Commission (GILLNET)
5250	Potato Commission (POTATO)
5260	Strawberry Commission (STRAW)
5280	Mint Commission (MINT)
5290	Red Raspberry Commission (RASP)
5300	Seed Potato Commission (SEED)
5320	Turf Grass Seed Commission (TURF)
5330	Tree Fruit Research Commission (TREE)
5340	Wine Commission (WINE)
5350	Grain Commission (GRAIN)
5450	Beer Commission (BEER)
	40 - TRANSPORTATION (F4)
	41 - Transportation
2050	Board of Pilotage Commissioners (BPC)
2250	Washington State Patrol (WSP)
2280	Washington Traffic Safety Commission (STS)
2400	Department of Licensing (DOL)
4050	Department of Transportation (DOT)
4060	County Road Administration Board (CRAB)
4070	Transportation Improvement Board (TIB)
4100	Transportation Commission (TRC)
4110	Freight Mobility Strategic Investment Board (FMSIB)

AGENCY NUMBER	AGENCY TITLE
	50 - EDUCATION (F5)
	51 - Kindergarten Through Twelfth Grade
3500	Superintendent of Public Instruction (SPI)
3590	Washington Charter School Commission (WCSC)
	52 - Higher Education
3400	Student Achievement Council (SAC)
3520	State Board for Community and Technical Colleges (SBCTC)
3600	University of Washington (UW)
3650	Washington State University (WSU)
3700	Eastern Washington University (EWU)
3750	Central Washington University (CWU)
3760	The Evergreen State College (TESC)
3800	Western Washington University (WWU)
6050	Everett Community College (EVC)
6100	Edmonds Community College (EDC)
6210	Whatcom Community College (WHC)
6270	Bellevue College (BC)
6290	Big Bend Community College (BBC)
6320	Centralia College (CEC)
6340	Cascadia College (CC)
6350	Clark College (CLC)
6370	Pierce College (PIE)
6390	Columbia Basin College (CBC)
6480	Grays Harbor College (GHC)
6490	Green River College (GRC)
6520	Highline College (HC)
6570	Lower Columbia College (LCC)
6620	Olympic College (OLC)
6650	Peninsula College (PEC)
6700	Seattle Community Colleges - District 6 (SCCD-6)
6720	Shoreline Community College (SHC)
6740	Skagit Valley College (SVC)
6750	South Puget Sound Community College (SPS)
6760	Spokane Community Colleges - District 17 (SCCD-17)

AGENCY NUMBER	AGENCY TITLE
6780	Tacoma Community College (TCC)
6830	Walla Walla Community College (WLC)
6860	Wenatchee Valley College (WVC)
6910	Yakima Valley Community College (YVC)
6920	Lake Washington Institute of Technology (LWIT)
6930	Renton Technical College (RTC)
6940	Bellingham Technical College (BTC)
6950	Bates Technical College (BATES)
6960	Clover Park Technical College (CPTC)
6990	Community and Technical College System (CTCS)
	59 - Education - Other
3460	Washington Higher Education Facilities Authority (WHEFA)
3510	State School for the Blind (SFB)
3530	Washington State Center for Childhood Deafness and Hearing Loss (CDHL)
3540	Workforce Training and Education Coordinating Board (WFTECB)
3570	Department of Early Learning (DEL)
3870	Washington State Arts Commission (ART)
3900	Washington State Historical Society (WHS)
3950	Eastern Washington State Historical Society (EWH)
	90 - OTHER (F1)
	91 - Other Administrative Agencies
7000	OFM Financial Statement Control (OFMFSC)
7100	Workfirst Performance Measures (WPM)
7300	OFM Cash Flow Adjustments - General Fund State (CFGFS)
7310	OFM Cash Flow Adjustments - General Fund Federal/Private Local (CFGFF/PL)
7320	OFM Cash Flow Adjustments - All Other Funds (CFOTHER)
7900	OST - Cash and Warrant Control (STCWC)
	92 - Payments to Political Subdivisions
0010	State Revenue for Distribution (SRD)
0050	Federal Revenue for Distribution (FRD)

AGENCY NUMBER	AGENCY TITLE
	93 - Bond Retirement and Interest
0100	Bond Retirement and Interest (BRI)
	94 - Other Budgeted Expenditures
0760	Special Appropriation to the Governor (SAG)
7010	Treasurer's Transfers (TRANSFER)
7050	Treasurer's Deposit Income (DEPINC)
7070	Sundry Claims (SUNDRY)
7160	Agency Loans (LOAN)
7170	One Time Grants (GRANT)
7270	Stadium and Exhibition Center Distributions (SECD)
7400	Contributions to Retirement Systems (CRS)
	99 - Non-State Organizations
8000	Counties (COUNTY)
8500	Cities and Towns (CITY)
8600	Local Health Districts (LHD)
9440	Washington State School Director's Association (SDA)

Note 1:
Under RCW 43.88.240, the Agricultural Commodity Commissions (Agencies 5000 through 5350, and 5450) are not subject to the Budget and Accounting Act. These commissions are not included in the Agency Financial Reporting System (AFRS).

Note 2:
For accounting purposes, the State Board for Community and Technical Colleges (Agency 3520) and the individual community and technical colleges (Agencies 6050 through 6960) are not included in AFRS.

Statewide financial data for these agencies, including interagency receivables and payables, are to be reported under the Community and Technical College System (Agency 6990). However, for interagency receivables and payables, the individual college is to be used for subsidiary coding. Refer to Subsection 90.20.50.c.

Note 3:
Agencies 0010, 0050, 0100, 0760, and 7000 to 7900 are utilized for administrative purposes only.

AGENCY NUMBER	AGENCY TITLE
	Note 4: Agencies 8000 through 9440 are utilized for recording activity between the state and local government entities (for a detailed listing see the AFRS D37 table for counties and D38 table for cities and towns). **Note 5**: For accounting purposes, the state's component units (agencies 1060, 1480, 3040, 3460, 4120, 5990, and 7270) are not included in AFRS.

75.30
Fund / Account Codes

75.30.10 GAAP fund types

June 1, 2011

FUND TYPE TITLE	FUND TYPE CODE
1. **GOVERNMENTAL FUNDS:**	
General Fund	AA
Special Revenue Funds	BA
Debt Service Funds	CA
Capital Projects Funds	DA
Permanent Funds	EA
2. **PROPRIETARY FUNDS:**	
Enterprise Funds	FA
Internal Service Funds	GA
3. **FIDUCIARY FUNDS:**	
Private-Purpose Trust Funds	HA
Investment Trust Funds	HB
Pension (and Other Employee Benefit) Trust Funds	HC
Agency Funds	HD
4. **GENERAL CAPITAL ASSETS & LONG-TERM OBLIGATIONS:**	
General Capital Assets Subsidiary Account	IA
General Long-Term Obligations Subsidiary Account	JA
5. **DISCRETE COMPONENT UNITS:**	
Proprietary Fund Type Component Units	MA

75.30.20 Cash and budget type codes

January 1, 2016

CODE	CASH TYPE
	Cash type codes are used to indicate the custody, restrictions or usage of cash and investments within an account. They are used to determine and control the cash related general ledger codes used in an account. The cash type for all state accounts is presented in Subsection 75.30.50.
1	**Treasury Account** Cash is on deposit in and under the control of the State Treasurer. Treasury accounts are subject to expenditure authority unless specifically exempted.
2	**Treasury Trust Account** Cash is not always required by law to be within the treasury, but is placed in the custody of the State Treasurer. Treasury Trust accounts are not always subject to expenditure authority.
3	**Local Account** Cash is on deposit in a local bank account under the control of the agency. The local bank must be an approved public depository, as designated by the Public Deposit Protection Commission. Local accounts are not appropriated.
4	**Local Government Investment Pool** Public funds as defined in RCW 43.250.020 that are on deposit in the Public Funds Investment Account, Account 523. The State Treasurer prescribes the rules for the operation of the Public Funds Investment Account, invests the funds on deposit, and separately tracks the activity/balances of each participant.
5	**Non-Cash Account** These accounts are used to facilitate transfers from agency operating accounts into special budgeted allocation accounts. Currently there are no non-cash accounts. No cash is recorded in these accounts, only revenues and expenditures.
	Note: In Treasury and Treasury Trust Accounts, cash closes to the administering agency at the end of each biennium, with the exception of the Agency Funds and Accounts 03K, 277, and 290.

CODE	BUDGET TYPE
	Budget type codes are used to designate the degree to which an account is subject to expenditure authority and allotment control. The budget type for all state accounts is presented in Subsection 75.30.50.
A	**Appropriated Account** Appropriated accounts require legislative authorization for an agency to make expenditures and incur obligations for specific purposes from designated resources available or estimate to be available during a specific period of time. The agency spending (allotment) plan is subject to review and approval by the Office of Financial Management (OFM).
B	**Budgeted (Nonappropriated/Allotted) Account** Budgeted accounts do not require legislative authorization for an agency to make expenditures and incur obligations. However, the agency spending (allotment) plan from designated resources available or estimated to be available during a specific period of time, is subject to review and approval by the OFM.
H	**Nonappropriated/Nonallotted (Higher Education Special) Account** Nonappropriated/nonallotted higher education accounts do not require legislative appropriation nor OFM spending (allotment) plan approval to make expenditures or incur obligations from designated resources available or estimated to be available during a specific period of time. This category is used by the institutions of higher education and consists of the following accounts: 143, 145, 147, 148, 443, and 505. All are local cash type 3.
M	**Mixed (Partial Appropriated or Allotted/ Partial Nonappropriated) Account** Specific portions of mixed accounts require legislative appropriation or OFM spending (allotment) plan approval to make expenditures or incur obligations from designated resources available or estimated to be available during a specific period of time. The remaining parts of the disbursements from a mixed account are not subject to either expenditure authority or spending plan approval. This category consists of the following accounts: 045, 11V, 133, 14F, 15B, 17B, 17R, 18K, 19P, 401, 422, 470, 496, 540, 544, 551, 600, 608, 609, 645, 759, 788, and 833.
N	**Nonappropriated/Nonallotted Account** Nonappropriated/nonallotted accounts do not require legislative appropriation or OFM spending (allotment) plan approval to make expenditures or incur obligations from designated resources available or estimated to be available during a specific period of time.

75.30.30 Fund types and subsidiary accounts – government-wide statement codes

July 1, 2002

FUND TYPE TITLE	GOVERNMENT-WIDE CODE
1. **GOVERNMENTAL FUNDS:**	
General Fund	1
Special Revenue Funds	1
Debt Service Funds	1
Capital Projects Funds	1
Permanent Funds	1
2. **PROPRIETARY FUNDS:**	
Enterprise Funds	2
Internal Service Funds	1
3. **FIDUCIARY FUNDS:**	
Private-Purpose Trust Funds	-
Investment Trust Funds	-
Pension (and Other Employee Benefit) Trust Funds	-
Agency Funds	-
4. **GENERAL CAPITAL ASSETS & LONG-TERM OBLIGATIONS:**	
General Capital Assets Subsidiary Account	1
General Long-Term Obligations Subsidiary Account	1
5. **DISCRETE COMPONENT UNITS:**	
Proprietary Fund Type Component Units	-

75.30.40 Roll-up funds and subsidiary accounts – fund statement codes

July 1, 2015

Fund Type Title / Roll-Up Fund Title	Roll-Up Fund	Fund Statement Code	Threshold level* 6/30/15
1. **GOVERNMENTAL FUNDS**			
General Fund			
General Fund – Basic Account	AA	1A	$1,000,000
Administrative Accounts in the General Fund	AC	1A	$1,000,000
Other Accounts in the General Fund	AZ	1A	$1,000,000
Special Revenue Funds			
Motor Vehicle Fund	BA	1Z	1,000,000
Multimodal Transportation Fund	BB	1Z	1,000,000
Central Administrative and Regulatory Fund	BD	1Z	1,000,000
Human Services Fund	BE	1Z	1,000,000
Wildlife and Natural Resources Fund	BF	1Z	1,000,000
Higher Education Fund	BG	1B	1,000,000
Local Construction and Loan Fund	BH	1Z	1,000,000
Debt Service Funds			
General Obligation Bond Fund	CA	1Z	1,000,000
Transportation General Obligation Bond Fund	CB	1Z	1,000,000
Tobacco Settlement Securitization Bond Fund	CC	1Z	1,000,000
Transportation Revenue Bond Fund	CD	1Z	652,000
Capital Projects Funds			
State Facilities Fund	DA	1Z	1,000,000
Higher Education Facilities Fund	DB	1Z	1,000,000
Permanent Funds			
Higher Ed. Endowment & Other Permanent Funds	EA	1C	1,000,000
Common School Permanent Fund	EC	1Z	1,000,000
2. **PROPRIETARY FUNDS**			
Enterprise Funds			
Workers' Compensation Fund	FB	2A	1,000,000
Lottery Fund	FD	2Z	1,000,000
Institutional Fund	FE	2Z	1,000,000

Fund Type Title / Roll-Up Fund Title	Roll-Up Fund	Fund Statement Code	Threshold level* 6/30/15
Unemployment Compensation	FG	2B	1,000,000
Higher Education Student Services Fund	FH	2C	1,000,000
Other Activities Fund	FI	2Z	1,000,000
State Guaranteed Education Tuition Program Fund	FK	2E	1,000,000
Internal Service Funds			
General Services Fund	GA	3Z	1,000,000
Data Processing Revolving Fund	GB	3Z	1,000,000
Higher Education Revolving Fund	GD	3Z	1,000,000
Risk Management Fund	GE	3Z	1,000,000
Health Insurance Fund	GF	3Z	1,000,000
3. **FIDUCIARY FUNDS**			
Private-Purpose Trust Funds			
Other Private-Purpose Trust Funds	JD	4C	1,000,000
Investment Trust Funds			
Local Government Pooled Investments Fund	IA	4B	1,000,000
Pension (and other Employee Benefit) Trust Funds			
Public Employees' Retirement System Plan 1 Fund	HA	4A	1,000,000
Public Employees' Retirement System Plan 2 and 3 Defined Benefit Fund	HB	4A	1,000,000
Public Employees' Retirement System Plan 3 Defined Contribution Fund	HC	4A	1,000,000
Teachers' Retirement System Plan 1 Fund	HE	4A	1,000,000
Teachers' Retirement System Plan 2 and 3 Defined Benefit Fund	HF	4A	1,000,000
Teachers' Retirement System Plan 3 Defined Contribution Fund	HG	4A	1,000,000
Public Safety Employees' Retirement System Plan 2	HH	4A	1,000,000
L.E.O.F.F. Retirement System Plan 1 Fund	HI	4A	1,000,000
L.E.O.F.F. Retirement System Plan 2 Fund	HJ	4A	1,000,000
State Patrol Retirement System Plan 2 Fund	HK	4A	N/A
State Patrol Retirement System Plan 1 Fund	HL	4A	1,000,000
Judicial Retirement Fund	HM	4A	317,000
Volunteer Firefighters' and Reserve Officers' Retirement Fund	HN	4A	1,000,000

Fund Type Title / Roll-Up Fund Title	Roll-Up Fund	Fund Statement Code	Threshold level* 6/30/15
Judges Supplemental Retirement Defined Contribution Fund	HP	4A	612,000
Judges Retirement Fund	HQ	4A	26,000
School Employees' Retirement System Plan 2 and 3 Defined Benefit Plan	HR	4A	1,000,000
School Employees' Retirement System Plan 3 Defined Contribution Plan	HS	4A	1,000,000
Deferred Compensation Trust Fund	HT	4A	1,000,000
Agency Funds			
Clearing Fund	KA	4D	N/A
Suspense Fund	KB	4D	N/A
Local Government Distributions Fund	KC	4D	N/A
Pooled Investments Fund	KD	4D	N/A
Retiree Health Insurance Fund	KE	4D	N/A
4. **GENERAL CAPITAL ASSETS & LONG-TERM OBLIGATION SUBSIDIARY ACCOUNTS**			
General Capital Assets Subsidiary	LA	8A	1,000,000
General Long-Term Obligations Subsidiary	LB	8B	1,000,000
5. **DISCRETE COMPONENT UNITS**			
Proprietary Fund Type Financing Authorities	MZ	9Z	N/A

* The threshold level presented is for consideration of prior period adjustments, refer to Subsection 90.20.15.

75.30.50 Account codes: sequential by code number

January 1, 2017

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
001	AA	AA	7000	A	1	9390	General Fund
002	BE	BA	3030	A	1	9323	Hospital Data Collection Account
003	BD	BA	2400	A	1	9321	Architects' License Account
006	GA	GA	0850	A	1	9400	Public Records Efficiency, Preservation and Access Account
007	BF	BA	4650	A	1	9324	Winter Recreation Program Account
014	BF	BA	4900	A	1	9324	Forest Development Account
018	AC	AA	4650	A	1	9324	Millersylvania Park Current Account
01B	BF	BA	4900	A	1	9324	ORV and Nonhighway Vehicle Account
01E	AC	AA	4900	A	1	9242	Geothermal Account
01F	BE	BA	2350	B	2	9323	Crime Victims’ Compensation Account
01L	DB	DA	7000	A	1	9310	Higher Education Construction Account
01M	BF	BA	4650	A	1	9324	Snowmobile Account
01N	AC	AA	3100	A	1	9323	Institutional Impact Account
01P	KB	HD	7000	N	1	N/A	Suspense Account
01R	KB	HD	0900	N	1	N/A	Undistributed Receipts Account
01T	KC	HD	1400	N	1	N/A	Local Leasehold Excise Tax Account
023	AC	AA	4610	A	1	9324	Special Grass Seed Burning Research Account
024	BD	BA	2400	A	1	9321	Professional Engineers' Account
025	BB	BA	2050	B	2	9320	Pilotage Account
026	BD	BA	2400	A	1	9321	Real Estate Commission Account
027	BF	BA	4610	A	1	9324	Reclamation Account
02A	BF	BA	4900	A	1	9324	Surveys and Maps Account
02G	BE	BA	3030	A	1	9323	Health Professions Account
02H	BE	BA	3150	B	1	9323	Business Enterprises Revolving Account
02J	BD	BA	1650	A	1	9321	Certified Public Accountants' Account
02K	BE	BA	2250	A	1	9323	Death Investigations Account
02M	BB	BA	4050	A	1	9320	Essential Rail Assistance Account
02N	BF	BA	4650	A	1	9324	Parkland Acquisition Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
02P	AC	AA	4610	A	1	9324	Flood Control Assistance Account
02R	BF	BA	4900	A	1	9324	Aquatic Lands Enhancement Account
02W	BD	BA	1400	A	1	9321	Timber Tax Distribution Account
030	BF	BA	4900	B	1	9324	Landowner Contingency Forest Fire Suppression Account
031	AC	AA	1260	A	1	9321	State Investment Board Expense Account
032	AC	AA	4610	A	1	9324	State Emergency Water Projects Revolving Account
034	KC	HD	1400	N	1	N/A	Local Sales and Use Tax Account
035	KA	HD	7000	N	1	N/A	State Payroll Revolving Account
036	DA	DA	1790	A	1	9330	Capitol Building Construction Account
039	BB	BA	4050	A	1	9320	Aeronautics Account
03A	AZ	AA	0100	A	1	9238	Excess Earnings Account
03B	BE	BA	2350	A	1	9323	Asbestos Account
03C	BE	BA	3030	A	1	9323	Emergency Medical Services and Trauma Care Systems Trust Account
03F	BE	BA	2450	A	1	9323	Enhanced 911 Account
03K	BD	BA	2350	B	2	9321	Industrial Insurance Premium Refund Account
03L	AC	AA	0900	A	1	9325	County Criminal Justice Assistance Account
03M	AC	AA	0900	A	1	9325	Municipal Criminal Justice Assistance Account
03N	BD	BA	1400	A	1	9321	Business License Account
03P	BD	BA	2250	A	1	9321	Fire Service Trust Account
03R	BE	BA	3030	A	1	9323	Safe Drinking Water Account
041	BF	BA	4900	A	1	9324	Resource Management Cost Account
042	BD	BA	3000	A	1	9323	Charitable, Educational, Penal and Reformatory Institutions Account
044	BD	BA	4610	A	1	9324	Waste Reduction, Recycling, and Litter Control Account
045	BD	BA	1790	M	1	9321	State Vehicle Parking Account
048	BB	BA	2400	A	1	9320	Marine Fuel Tax Refund Account
04B	EA	EA	4900	A	1	9232	Natural Resources Real Property Replacement Account
04E	BD	BA	2400	A	1	9321	Uniform Commercial Code Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
04F	BD	BA	2400	A	2	9321	Real Estate Education Program Account
04H	BF	BA	4900	A	1	9324	Surface Mining Reclamation Account
04L	AC	AA	3030	A	1	9323	Public Health Services Account
04M	BF	BA	4770	A	1	9324	Recreational Fisheries Enhancement Account
04R	BE	BA	3030	A	1	9240	Drinking Water Assistance Account
04V	BD	BA	2250	A	1	9321	Vehicle License Fraud Account
04W	BE	BA	3030	A	1	9323	Waterworks Operator Certification Account
051	AC	AA	4610	A	1	9242	State and Local Improvements Revolving Account -Waste Disposal Facilities
055	AC	AA	4610	A	1	9242	State and Local Improvements Revolving Account -Waste Disposal Facilities, 1980
056	DB	DA	7000	A	1	9310	State Higher Education Construction Account
057	DA	DA	7000	A	1	9248	State Building Construction Account
058	BH	BA	1030	A	1	9325	Public Works Assistance Account
05C	AC	AA	3000	A	1	9323	Criminal Justice Treatment Account
05H	BD	BA	2450	A	1	9321	Disaster Response Account
05M	AC	AA	1030	A	1	9321	Tourism Development and Promotion Account
05R	BE	BA	3030	A	1	9240	Drinking Water Assistance Administrative Account
05W	BD	BA	4610	A	1	9324	State Drought Preparedness Account
060	DB	DA	6990	A	1	9310	Community and Technical College Capital Projects Account
061	DB	DA	3700	A	1	9310	Eastern Washington University Capital Projects Account
062	DB	DA	3650	A	1	9310	Washington State University Building Account
063	DB	DA	3750	A	1	9310	Central Washington University Capital Projects Account
064	DB	DA	3600	A	1	9310	University of Washington Building Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
065	DB	DA	3800	A	1	9310	Western Washington University Capital Projects Account
066	DB	DA	3760	A	1	9310	The Evergreen State College Capital Projects Account
06A	BF	BA	4670	A	1	9324	Salmon Recovery Account
06G	BD	BA	2400	A	1	9321	Real Estate Appraiser Commission Account
06H	BD	BA	0850	B	2	9321	Washington State Legacy Project, State Library, and Archives Account
06J	BD	BA	1020	B	2	9321	Securities Prosecution Account
06K	BE	BA	1030	A	1	9323	Lead Paint Account
06L	BD	BA	2400	A	1	9321	Business and Professions Account
06N	AZ	AA	1400	A	2	9238	Local Tax Administration Account
06R	BD	BA	2400	A	1	9321	Real Estate Research Account
06T	BD	BA	2400	A	1	9321	License Plate Technology Account
070	AC	AA	4670	A	1	9242	Outdoor Recreation Account
071	BF	BA	4770	A	1	9324	Warm Water Game Fish Account
072	AC	AA	4610	A	1	9242	State and Local Improvements Revolving Account - Water Supply Facilities
075	DA	DA	3000	A	1	9248	State Social and Health Services Construction Account
076	KD	HD	7010	N	1	N/A	Treasury Income Account
07A	BD	BA	1020	B	2	9321	Mortgage Lending Fraud Prosecution Account
07B	BD	BA	2400	N	2	9323	Organ and Tissue Donation Awareness Account
07C	BF	BA	4610	A	1	9324	Vessel Response Account
07E	BF	BA	4900	B	2	9324	Contract Harvesting Revolving Account
07F	AZ	AA	4770	B	2	9242	Commercial Fisheries Buyback Account
07J	BE	BA	2400	B	2	9323	“Helping Kids Speak” Account
07K	BD	BA	2400	N	2	9321	Special License Plate Applicant Trust Account
07L	BD	BA	0800	B	2	9321	Legislative International Trade Account
07N	BB	BA	4050	B	2	9320	Produce Railcar Pool Account
07T	BD	BA	1790	B	2	9330	Commemorative Works Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
07V	BF	BA	4770	B	2	9324	Fish and Wildlife Enforcement Reward Account
07W	BE	BA	3000	A	1	9323	Domestic Violence Prevention Account
080	BD	BA	2150	A	1	9321	Grade Crossing Protective Account
081	BA	BA	2250	A	1	9320	State Patrol Highway Account
082	BB	BA	2400	A	1	9320	Motorcycle Safety Education Account
084	BE	BA	1790	A	1	9323	Building Code Council Account
086	BE	BA	2250	A	1	9323	Fire Service Training Account
087	BF	BA	4900	B	1	9324	Park Land Trust Revolving Account
08A	BG	BA	7000	A	1	9310	Education Legacy Trust Account
08B	AC	AA	3400	N	2	9310	Foster Care Endowed Scholarship Trust Account
08C	BG	BA	2400	B	2	9310	Gonzaga University Alumni Association Account
08E	AC	AA	1030	B	2	9323	Individual Development Account Program Account
08F	BF	BA	2400	B	2	9324	Lighthouse Environmental Programs Account
08G	BE	BA	1070	B	2	9323	Flexible Spending Administrative Account
08H	BD	BA	2450	A	1	9321	Military Department Rental and Lease Account
08J	BE	BA	1070	B	2	9323	Prescription Drug Consortium Account
08K	BE	BA	3000	A	1	9323	Problem Gambling Account
08L	BF	BA	2400	B	2	9324	“Ski & Ride Washington” Account
08M	BA	BA	4070	A	1	9234	Small City Pavement and Sidewalk Account
08N	AC	AA	3400	N	2	9310	State Financial Aid Account
08P	BF	BA	4650	B	2	9324	State Parks Education and Enhancement Account
08R	BF	BA	4610	A	1	9324	Waste Tire Removal Account
08T	AZ	AA	4050	B	2	9320	Transportation Innovative Partnership Account
08V	BE	BA	3050	B	2	9323	Veterans Stewardship Account
08W	BF	BA	2400	B	2	9324	“Washington’s National Park Fund” Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
094	BB	BA	4050	A	1	9320	Transportation Infrastructure Account
095	BE	BA	2350	A	1	9323	Electrical License Account
096	BA	BA	4050	A	1	9234	Highway Infrastructure Account
097	BA	BA	4050	B	1	9320	Recreational Vehicle Account
098	BF	BA	4770	A	2	9324	Eastern Washington Pheasant Enhancement Account
099	BA	BA	4050	A	1	9234	Puget Sound Capital Construction Account
09A	BD	BA	2400	B	2	9321	We Love Our Pets Account
09B	BF	BA	4650	B	2	9324	Boating Safety Education Certification Account
09C	AC	AA	4670	A	1	9242	Farm and Forest Account
09E	BA	BA	4110	A	1	9234	Freight Mobility Investment Account
09F	BB	BA	4050	A	1	9320	High-Occupancy Toll Lanes Operations Account
09G	AC	AA	4670	A	1	9242	Riparian Protection Account
09H	BA	BA	4050	A	1	9234	Transportation Partnership Account
09J	BF	BA	4770	B	2	9324	Washington Coastal Crab Pot Buoy Tag Account
09K	BE	BA	0750	N	2	9323	Life Sciences Discovery Account
09L	BE	BA	3030	B	2	9323	Nursing Resource Center Account
09M	BF	BA	2250	A	1	9324	Aquatic Invasive Species Enforcement Account
09N	BF	BA	4770	A	1	9324	Aquatic Invasive Species Prevention Account
09P	BD	BA	1400	A	1	9325	City-County Assistance Account
09R	AC	AA	0750	A	1	9321	Economic Development Strategic Reserve Account
09T	BD	BA	3550	N	1	9325	Washington Main Street Trust Fund Account
102	BA	BA	4060	A	1	9234	Rural Arterial Trust Account
104	BF	BA	4770	A	1	9324	State Wildlife Account
106	BB	BA	2400	A	1	9320	Highway Safety Account
107	BD	BA	1400	A	1	9321	Liquor Excise Tax Account
108	BA	BA	4050	A	1	9234	Motor Vehicle Account
109	BA	BA	4050	A	1	9234	Puget Sound Ferry Operations Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
10A	BF	BA	4610	A	1	9324	Aquatic Algae Control Account
10B	BE	BA	1030	A	1	9323	Home Security Fund Account
10F	BB	BA	2400	B	2	9320	Share the Road Account
10G	BF	BA	4610	A	1	9324	Water Rights Tracking System Account
10K	AC	AA	3050	A	1	9323	Veterans Innovations Program Account
10L	AZ	AA	1070	B	2	9323	Health Insurance Partnership Account
10P	AC	AA	4610	A	1	9242	Columbia River Basin Water Supply Development Account
10R	AC	AA	1030	A	1	9324	Energy Freedom Account
10T	AC	AA	4780	A	1	9242	Hood Canal Aquatic Rehabilitation Bond Account
10V	AZ	AA	4670	B	2	9324	Invasive Species Council Account
10W	AZ	AA	2350	B	2	9321	Family and Medical Leave Enforcement Account
110	BF	BA	4770	A	1	9324	Special Wildlife Account
111	BD	BA	2150	A	1	9321	Public Service Revolving Account
113	BH	BA	3500	A	1	9246	Common School Construction Account
116	BF	BA	4610	B	1	9324	Basic Data Account
119	BE	BA	5400	A	1	9240	Unemployment Compensation Administration Account
11A	BG	BA	6990	B	2	9310	Employment Training Finance Account
11B	BB	BA	4050	A	1	9320	Regional Mobility Grant Program Account
11E	BB	BA	4110	A	1	9320	Freight Mobility Multimodal Account
11F	AC	AA	3000	A	1	9323	Reinvesting in Youth Account
11H	BF	BA	4900	A	1	9324	Forest and Fish Support Account
11J	BF	BA	4610	B	2	9324	Electronic Products Recycling Account
11K	BE	BA	0550	A	1	9323	Washington Auto Theft Prevention Authority Account
11M	AC	AA	3870	B	2	9321	Poet Laureate Account
11N	AZ	AA	3550	A	1	9321	Heritage Barn Preservation Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
11P	BF	BA	3030	B	2	9324	Large On-Site Sewage Systems Account
11R	AZ	AA	3030	B	2	9323	Hospital Infection Control Grant Account
11V	BE	BA	3050	M	2	9323	Veteran Estate Management Account
11W	AC	AA	4610	A	1	9324	Water Quality Capital Account
120	BE	BA	5400	A	1	9323	Administrative Contingency Account
125	AC	AA	4610	A	1	9324	Site Closure Account
126	BF	BA	4950	B	2	9324	Agricultural Local Account
128	BF	BA	4950	B	2	9324	Grain Inspection Revolving Account
12B	AZ	AA	1030	A	1	9324	Green Energy Incentive Account Subaccount of the Energy Freedom Account
12C	BE	BA	1030	A	1	9323	Affordable Housing for All Account
12E	BE	BA	3000	B	2	9323	Assisted Living Facility Temporary Management Account
12F	BD	BA	1000	B	2	9321	Manufactured/Mobile Home Dispute Resolution Program Account
12G	BF	BA	4770	B	2	9324	Rockfish Research Account
12H	BD	BA	2450	N	2	9323	Uniformed Service Shared Leave Pool Account
12J	AC	AA	4670	A	1	9324	Boating Activities Account
12K	AZ	AA	4780	A	1	9324	Puget Sound Scientific Research Account
12L	AC	AA	4650	B	2	9324	Outdoor Education and Recreation Program Account
12M	BD	BA	0850	A	1	9321	Charitable Organization Education Account
12N	BG	BA	3400	N	2	9310	GET Ready for Math and Science Scholarship Account
12P	AC	AA	3600	B	2	9324	Geoduck Aquaculture Research Account
12R	AC	AA	1030	A	1	9323	Independent Youth Housing Account
12T	BE	BA	3000	A	1	9323	Traumatic Brain Injury Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
12V	GF	GA	1070	B	2	9400	Public Employees' Benefits Board Medical Benefits Administration Account
12W	AZ	AA	3050	A	1	9323	Veterans Conservation Corps Account
131	AC	AA	4950	B	2	9325	Fair Account
132	AZ	AA	1030	B	2	9324	State Trade Fair Account
133	BE	BA	3570	M	2	9323	Children's Trust Account
134	BE	BA	5400	A	1	9323	Employment Services Administrative Account
138	BD	BA	1600	A	1	9321	Insurance Commissioner's Regulatory Account
141	BD	BA	2250	B	3	9238	Federal Seizure Account
143	BG	BA	3650	H	3	9230	Institutions of Higher Education Federal Appropriations Account (Morrill-Bankhead-Jones Act Account)
144	BA	BA	4070	A	1	9234	Transportation Improvement Account
145	BG	BA	LCLO	H	3	9310	Institutions of Higher Education - Grants and Contracts Account
146	BD	BA	4670	A	1	9321	Firearms Range Account
147	BG	BA	6990	H	3	9310	Institutions of Higher Education – Plant Account
148	BG	BA	LCLO	H	3	9310	Institutions of Higher Education - Dedicated Local Account
149	BG	BA	LCLO	B	3	9310	Institutions of Higher Education - Operating Fees Account
14A	BF	BA	4770	A	1	9324	Wildlife Rehabilitation Account
14B	AC	AA	1050	A	1	9250	Budget Stabilization Account
14C	AZ	AA	4780	A	1	9324	Puget Sound Recovery Account
14E	BD	BA	0850	B	2	9330	Washington State Heritage Center Account
14F	AC	AA	2350	M	2	9323	Family Leave Insurance Account
14G	BF	BA	4770	A	1	9324	Ballast Water Management Account
14H	AC	AA	1030	A	1	9325	Community Preservation and Development Authority Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
14L	AC	AA	1400	A	1	9325	Streamlined Sales and Use Tax Mitigation Account
14M	BD	BA	1030	A	1	9321	Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account
14N	AC	AA	0110	B	2	9321	Legislative Oral History Account
14P	AC	AA	3550	B	2	9321	Skeletal Human Remains Assistance Account
14R	BD	BA	2450	A	1	9238	Military Department Active State Service Account
14V	BD	BA	2400	A	1	9320	Ignition Interlock Device Revolving Account
14W	BE	BA	2250	B	2	9323	Reduced Cigarette Ignition Propensity Account
150	BE	BA	1030	A	1	9323	Low-Income Weatherization and Structural Rehabilitation Assistance Account
153	BB	BA	4050	A	1	9320	Rural Mobility Grant Program Account
154	BD	BA	1000	A	1	9320	New Motor Vehicle Arbitration Account
158	BF	BA	4900	A	1	9324	Aquatic Land Dredged Material Disposal Site Account
159	BF	BA	4650	B	1	9324	Parks Improvement Account
15A	BE	BA	1030	B	2	9323	Transitional Housing Operating and Rent Account
15B	AZ	AA	3650	M	2	9310	Food Animal Veterinarian Conditional Scholarship Account
15C	AC	AA	1030	A	1	9321	Washington Community Technology Opportunity Account
15F	AZ	AA	1240	A	1	9321	Local Public Safety Enhancement Account
15H	BF	BA	4610	A	1	9260	Cleanup Settlement Account
15J	AZ	AA	1030	A	1	9321	Building Communities Fund Account
15K	AC	AA	4610	A	1	9324	Columbia River Water Delivery Account
15M	BF	BA	3030	A	1	9324	Biotoxin Account
15N	AZ	AA	3650	B	2	9321	Business Assistance Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
15P	BF	BA	1030	A	1	9242	Energy Recovery Act Account
15R	AZ	AA	6990	A	1	9310	Evergreen Jobs Training Account
15T	BD	BA	1030	B	2	9238	Broadband Mapping Account
15V	BD	BA	2400	B	2	9321	Funeral and Cemetery Account
15W	BD	BA	1600	B	2	9321	Guaranteed Asset Protection Waiver Account
160	BD	BA	4610	A	1	9324	Wood Stove Education and Enforcement Account
162	BE	BA	2350	A	1	9323	Farm Labor Contractor Account
163	BE	BA	2350	A	2	9323	Worker and Community Right to Know Account
165	KA	HD	1070	N	1	N/A	Salary Reduction Account
167	BF	BA	4900	A	1	9324	Natural Resources Conservation Areas Stewardship Account
169	BD	BA	1850	B	2	9321	Horse Racing Commission Operating Account
16A	BD	BA	0550	A	1	9321	Judicial Stabilization Trust Account
16B	BD	BA	2400	B	2	9321	Landscape Architects' License Account
16C	KC	HD	1400	N	2	N/A	Real Estate and Property Tax Administration Assistance Account
16E	BF	BA	4900	B	2	9324	Specialized Forest Products Outreach and Education Account
16F	AC	AA	0850	B	2	9321	Washington State Flag Account
16G	BE	BA	3030	B	2	9323	Universal Vaccine Purchase Account
16H	BF	BA	4770	B	2	9324	Columbia River Recreational Salmon and Steelhead Endorsement Program Account
16J	BB	BA	4050	A	1	9234	State Route Number 520 Corridor Account
16K	AZ	AA	1020	B	2	9321	Mortgage Recovery Fund Account
16L	BE	BA	5400	B	2	9323	Accessible Communities Account
16M	BD	BA	2400	B	1	9321	Appraisal Management Company Account
16N	BE	BA	3050	B	2	9323	Disabled Veterans Assistance Account
16P	BF	BA	4900	A	1	9324	Marine Resources Stewardship Trust Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
16R	AC	AA	1050	B	2	9324	Multiagency Permitting Team Account
16T	BF	BA	4610	B	2	9324	Product Stewardship Programs Account
16V	AC	AA	4610	A	1	9324	Water Rights Processing Account
16W	BE	BA	1070	A	1	9323	Hospital Safety Net Assessment Account
172	BE	BA	1070	B	1	9323	Basic Health Plan Trust Account
173	BF	BA	4610	A	1	9324	State Toxics Control Account
174	BF	BA	4610	A	1	9324	Local Toxics Control Account
176	BF	BA	4610	A	1	9324	Water Quality Permit Account
177	AZ	AA	0550	A	1	9321	Judicial Retirement Administrative Account
17A	KC	HD	1400	N	2	N/A	County Enhanced 911 Excise Tax Account
17B	BE	BA	3570	A	1	9323	Home Visiting Services Account
17C	AC	AA	6990	A	1	9310	Opportunity Express Account
17E	AC	AA	7000	A	1	9321	State Efficiency and Restructuring Account
17F	AC	AA	3400	A	1	9310	Washington Opportunity Pathways Account
17H	BE	BA	1030	B	2	9323	Washington Global Health Technologies and Product Development Account
17K	AC	AA	1070	A	1	9323	Basic Health Plan Stabilization Account
17L	BD	BA	1030	B	2	9321	Foreclosure Fairness Account
17M	BE	BA	3570	B	2	9311	Individual-Based/Portable Background Check Clearance Account
17N	BB	BA	4050	A	1	9320	Complete Streets Grant Program Account
17P	BB	BA	4050	A	1	9320	State Route Number 520 Civil Penalties Account
17R	AC	AA	3400	M	2	9310	Aerospace Training Student Loan Account
17T	BE	BA	1070	A	1	9240	Health Benefit Exchange Account
17V	BE	BA	2400	B	2	9323	Volunteer Firefighters Account
17W	BB	BA	2400	A	1	9320	Limousine Carriers Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
180	BD	BA	1100	B	2	9321	Local Government Administrative Hearings Account
182	BF	BA	4610	A	1	9324	Underground Storage Tank Account
184	BD	BA	3900	B	3	9311	Local Museum Account - Washington State Historical Society
185	BD	BA	3950	B	3	9311	Local Museum Account - Eastern Washington State Historical Society
186	BA	BA	4060	A	1	9234	County Arterial Preservation Account
189	BF	BA	4900	B	2	9324	Clarke-McNary Account
18A	BD	BA	1030	B	2	9321	Investing in Innovation Account
18B	DA	DA	4610	A	1	9330	Columbia River Basin Taxable Bond Water Supply Development Account
18C	AZ	AA	3500	B	2	9311	Native Education Public-Private Partnership Account
18E	BD	BA	3500	B	2	9311	Educator Certification Processing Account
18F	AZ	AA	3500	B	2	9311	High School Completion Account
18G	AC	AA	3400	B	2	9310	Opportunity Scholarship Match Transfer Account
18H	AC	AA	3400	A	1	9310	Opportunity Expansion Account
18J	BA	BA	4050	A	1	9234	Capital Vessel Replacement Account
18K	AC	AA	2270	M	2	9321	24/7 Sobriety Account
18L	BF	BA	4770	A	1	9324	Hydraulic Project Approval Account
18M	BE	BA	2400	B	2	9311	Music Matters Awareness Account
18N	BD	BA	2150	B	2	9321	Damage Prevention Account
18R	BE	BA	2400	B	2	9321	Seattle Sounders FC Account
18T	AC	AA	3000	A	1	9323	Child and Family Reinvestment Account
18V	AZ	AA	3500	B	2	9311	Science, Technology, Engineering, and Mathematics Education Lighthouse Account
190	BF	BA	4900	B	2	9324	Forest Fire Protection Assessment Account
193	BF	BA	4900	B	2	9324	State Forest Nursery Revolving Account
195	BF	BA	1030	B	2	9238	Energy Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
196	JD	HA	1400	B	2	9400	Unclaimed Personal Property Account
197	BD	BA	0400	B	2	9321	Statute Law Committee Publications Account
198	BF	BA	4900	B	2	9324	Access Road Revolving Account
199	BF	BA	4610	A	1	9324	Biosolids Permit Account
19A	BE	BA	1070	A	1	9323	Medicaid Fraud Penalty Account
19B	BE	BA	3510	B	2	9323	School for the Blind Account
19C	BF	BA	4900	A	1	9324	Forest Practices Application Account
19E	BD	BA	2400	B	2	9321	4-H Programs Account
19F	BE	BA	2400	B	2	9311	Seattle Seahawks Account
19G	BF	BA	4610	A	1	9324	Environmental Legacy Stewardship Account
19H	BE	BA	3530	B	2	9323	Center for Childhood Deafness and Hearing Loss Account
19J	AC	AA	2150	B	2	9321	Universal Communications Services Account
19K	AC	AA	4610	A	1	9242	Yakima Integrated Plan Implementation Account
19L	AC	AA	3590	A	1	9311	Charter Schools Oversight Account
19M	BG	BA	2400	B	2	9310	Seattle University Account
19N	AZ	AA	4610	A	1	9324	Diesel Idle Reduction Account
19P	BD	BA	1000	M	2	9321	Child Rescue Account
19R	BE	BA	3000	B	2	9323	Residential Services and Support Account
19T	BB	BA	2400	A	1	9320	DOL Technology Improvement and Data Management Account
19V	AC	AA	1030	N	2	9323	Cancer Research Endowment Fund Match Transfer Account
19W	BF	BA	4770	B	2	9324	Wolf-livestock Conflict Account
200	BF	BA	4770	A	1	9242	Regional Fisheries Enhancement Salmonid Recovery Account
201	BA	BA	2400	A	1	9320	DOL Services Account
202	BE	BA	3030	A	1	9323	Medical Test Site Licensure Account
203	BB	BA	4050	A	1	9320	Passenger Ferry Account
204	BD	BA	2200	A	1	9321	Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
205	BE	BA	1030	B	2	9323	Mobile Home Park Relocation Account
206	BE	BA	3100	B	2	9323	Cost of Supervision Account
207	BF	BA	4610	A	1	9324	Hazardous Waste Assistance Account
209	BF	BA	4770	B	2	9324	Regional Fisheries Enhancement Group Account
20A	BF	BA	2400	B	2	9324	State Flower Account
20B	BF	BA	4610	A	1	9324	Brownfield Redevelopment Trust Fund Account
20C	AC	AA	4610	A	1	9324	Yakima Integrated Plan Implementation Taxable Bond Account
20D	BG	BA	1650	N	2	9310	Certified Public Accounting Scholarship Transfer Account
20E	BD	BA	2270	B	2	9321	Washington Internet Crimes Against Children Account
20F	AZ	AA	6990	A	1	9310	Invest in Washington Account
20G	BD	BA	2400	B	2	9321	Washington Farmers and Ranchers Account
20H	BA	BA	4050	A	1	9234	Connecting Washington Account
20J	BB	BA	4050	A	1	9320	Electric Vehicle Charging Infrastructure Account
20K	BD	BA	1950	B	2	9321	Licensing and Enforcement System Modernization Project Account
20L	AC	AA	3570	A	1	9311	Early Start Account
20M	BE	BA	1400	A	1	9323	Puget Sound Taxpayer Accountability Account
20N	BA	BA	4050	A	1	9234	Transportation Future Funding Program Account
20P	BE	BA	3000	B	2	9323	Nursing Facility Quality Enhancement Account
20R	BF	BA	4610	A	1	9324	Radioactive Mixed Waste Account
20S	AC	AA	1050	A	1	9323	Behavioral Health Innovation Account
20T	BF	BA	4620	A	1	9324	Pollution Liability Insurance Agency Underground Storage Tank
20V	BD	BA	1030	A	1	9321	Economic Gardening Pilot Project Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
20W	BD	BA	2400	B	2	9321	Washington Tennis Account
210	BD	BA	2250	B	2	9321	Fire Protection Contractor License Account
213	BE	BA	3050	B	2	9323	Veterans' Emblem Account
214	BE	BA	3030	B	2	9323	Temporary Worker Housing Account
215	BA	BA	4050	A	1	9234	Special Category C Account
216	BF	BA	4610	A	1	9324	Air Pollution Control Account
217	BF	BA	4610	A	1	9324	Oil Spill Prevention Account
218	BB	BA	4050	A	1	9320	Multimodal Transportation Account
219	BF	BA	4610	A	2	9324	Air Operating Permit Account
21A	BG	BA	2400	B	2	9310	Washington State Wrestling Account
21B	AC	AA	4610	A	1	9324	Chehalis Basin Account
21C	BD	BA	1030	B	2	9321	Washington Sexual Assault Kit Account
21D	AC	AA	4710	A	1	9324	Dairy Nutrient Infrastructure Account
222	BF	BA	4610	A	1	9324	Freshwater Aquatic Weeds Account
223	BF	BA	4610	A	1	9324	Oil Spill Response Account
225	BD	BA	2250	A	2	9323	Fingerprint Identification Account
226	BD	BA	2250	B	3	9321	State Seizures Account
234	BD	BA	2350	A	1	9325	Public Works Administration Account
235	BD	BA	3030	A	1	9323	Youth Tobacco and Vapor Products Prevention Account
237	BF	BA	4650	A	1	9324	Recreation Access Pass Account
241	CA	CA	0100	N	3	9252	COP Account – Ecology Building
244	AC	AA	4670	A	1	9242	Habitat Conservation Account
245	DA	DA	1050	A	1	9248	Public Safety Reimbursable Bond Account
246	DB	DA	6990	A	1	9310	Community and Technical College Forest Reserve Account
252	DB	DA	LCLO	N	3	9230	Higher Education Non-Proprietary Local Capital Account
253	AC	AA	7000	A	1	9310	Education Construction Account
259	BF	BA	4770	B	2	9324	Coastal Crab Account
260	BG	BA	3600	A	1	9310	UW Operating Fees Account
262	BD	BA	2350	A	1	9321	Manufactured Home Installation Training Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
263	BD	BA	1030	A	1	9321	Community and Economic Development Fee Account
267	BF	BA	4670	A	1	9324	Recreation Resources Account
268	BF	BA	4670	A	1	9324	Nonhighway and Off-Road Vehicle Activities (NOVA) Program Account
269	BF	BA	4650	A	1	9324	Parks Renewal and Stewardship Account
271	BG	BA	3650	A	1	9310	WSU Operating Fees Account
274	BE	BA	3000	B	2	9323	Adult Family Home Account
275	BG	BA	3750	A	1	9310	CWU Operating Fees Account
277	BD	BA	7000	B	1	9321	State Agency Parking Account
281	BB	BA	2400	A	2	9320	Impaired Driving Safety Account
283	BE	BA	3000	A	2	9240	Juvenile Accountability Incentive Account
285	AZ	AA	1030	A	1	9325	Growth Management Planning and Environmental Review Account
289	DA	DA	1790	A	1	9330	Thurston County Capital Facilities Account
290	AC	AA	7000	B	2	9321	Savings Incentive Account
291	AC	AA	3500	A	1	9321	Education Savings Account
294	BF	BA	4770	B	2	9324	Sea Cucumber Dive Fishery Account
295	BF	BA	4770	B	2	9324	Sea Urchin Dive Fishery Account
296	BF	BA	4610	A	1	9324	Columbia River Basin Water Supply Revenue Recovery Account
297	BD	BA	2150	A	2	9324	Pipeline Safety Account
298	BD	BA	2400	B	2	9324	Geologists' Account
300	BD	BA	1020	B	2	9321	Financial Services Regulation Account
303	CB	CA	0100	A	1	9340	Highway Bond Retirement Account
304	CB	CA	0100	A	1	9340	Ferry Bond Retirement Account
305	CB	CA	0100	A	1	9340	Transportation Improvement Board Bond Retirement Account
315	BE	BA	1950	A	1	9323	Dedicated Marijuana Account
319	BE	BA	3030	A	1	9323	Public Health Supplemental Account
320	BF	BA	4770	B	2	9324	Puget Sound Crab Pot Buoy Tag Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
328	BD	BA	2270	B	2	9321	Criminal Justice Training Commission Firing Range Maintenance Account
347	CA	CA	3650	B	1	9340	Washington State University Bond Retirement Account
348	CA	CA	3600	B	1	9340	University of Washington Bond Retirement Account
355	AC	AA	7000	A	1	9244	State Taxable Building Construction Account
357	DB	DA	7000	A	1	9230	Gardner-Evans Higher Education Construction Account
359	AC	AA	3500	A	1	9246	School Construction and Skill Centers Building Account
364	DA	DA	2450	A	1	9330	Military Department Capital Account
380	CA	CA	0100	A	1	9340	Debt-Limit General Fund Bond Retirement Account
381	CA	CA	0100	A	1	9340	Debt-Limit Reimbursable Bond Retirement Account
382	CA	CA	0100	A	1	9340	Nondebt-Limit General Fund Bond Retirement Account
383	CA	CA	0100	A	1	9340	Nondebt-Limit Reimbursable Bond Retirement Account
384	CA	CA	0100	A	1	9340	Nondebt-Limit Proprietary Appropriated Bond Retirement Account
385	CA	CA	0100	A	1	9340	Nondebt-Limit Proprietary Nonappropriated Bond Retirement Account
386	CA	CA	0100	A	1	9340	Nondebt-Limit Revenue Bond Retirement Account
387	BG	BA	3600	N	3	9310	University of Washington Facilities Bond Retirement Account
389	CD	CA	0100	A	1	9340	Toll Facility Bond Retirement Account
401	FE	FA	3100	M	1	9400	Correctional Industries Account
403	GD	GA	3600	N	3	9400	Self - Insurance Revolving Account
404	BD	BA	0900	A	1	9321	State Treasurer's Service Account
405	GA	GA	1000	A	1	9400	Legal Services Revolving Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
407	FI	FA	0850	B	1	9400	Secretary of State's Revolving Account
408	BF	BA	4610	B	1	9324	Coastal Protection Account
409	KD	HD	0900	N	2	N/A	Investment Income Account
410	GA	GA	4050	B	1	9400	Transportation Equipment Account
411	GA	GA	4900	N	2	9400	Natural Resources Equipment Account
413	FI	FA	0950	B	2	9400	Municipal Revolving Account
415	GA	GA	1050	A	1	9400	Personnel Service Account
416	BD	BA	3500	N	2	9323	Surplus and Donated Food Commodities Revolving Account
418	GF	GA	1070	A	1	9400	State Health Care Authority Administrative Account
421	GB	GA	1050	B	2	9400	Education Technology Revolving Account
422	GA	GA	1790	M	2	9400	Enterprise Services Account
424	BD	BA	1000	B	2	9321	Anti-Trust Revolving Account
432	BB	BA	4050	N	3	9320	King Street Railroad Station Facility Account
433	FD	FA	1160	B	3	9400	Shared Game Lottery Account
436	GA	GA	1050	B	2	9400	OFM Labor Relations Service Account
438	GF	GA	1070	B	2	9400	Uniform Dental Plan Benefits Administration Account
439	GF	GA	1070	B	2	9400	Uniform Medical Plan Benefits Administration Account
440	GD	GA	LCLO	N	3	9400	Institutions of Higher Education - Stores Account
441	BD	BA	0850	A	1	9325	Local Government Archives Account
442	FI	FA	0370	B	2	9400	Legislative Gift Center Account
443	GD	GA	LCLO	H	3	9400	Institutions of Higher Education - Data Processing Account
444	GA	GA	4770	B	2	9400	Fish and Wildlife Equipment Revolving Account
445	FB	FA	2350	B	2	9400	Self-Insured Employer Overpayment Reimbursement Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
446	FB	FA	2350	N	2	9400	Industrial Insurance Rainy Day Fund Account
447	AC	AA	1050	B	2	9321	Information Technology Investment Revolving Account
448	GD	GA	LCLO	N	3	9400	Institutions of Higher Education - Printing Account
449	FI	FA	0100	N	2	9400	Certificates of Participation and Other Financing Account - Local
450	GD	GA	LCLO	N	3	9400	Institutions of Higher Education - Other Facilities Account
453	GA	GA	1470	A	2	9400	O.M.W.B.E. Enterprises Account
455	GA	GA	1050	A	1	9400	Higher Education Personnel Services Account
457	GD	GA	LCLO	N	3	9400	Institutions of Higher Education – Retirement Benefits Revolving Account
458	GB	GA	1630	M	2	9400	Consolidated Technology Services Revolving Account
460	GD	GA	LCLO	N	3	9400	Institutions of Higher Education - Motor Pool Account
461	GB	GA	1050	B	2	9400	Shared Information Technology System Revolving Account
463	FK	FA	3400	M	2	9400	Washington College Savings Program Account
466	GB	GA	1050	A	2	9400	Statewide Information Technology System Development Revolving Account
468	GA	GA	1050	A	1	9400	Office of Financial Management Central Service Account
470	FI	FA	0850	M	2	9400	Imaging Account
471	GA	GA	2250	B	2	9400	State Patrol Nonappropriated Airplane Revolving Account
472	GB	GA	1050	B	2	9400	Statewide Information Technology System Maintenance and Operations Revolving Account
477	FD	FA	1160	N	2	9400	Lottery Investment Account
480	BD	BA	3500	B	2	9321	Financial Education Public-Private Partnership Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
482	GA	GA	3650	N	3	9400	Dairy/Forage Facility Revolving Account
483	GA	GA	0950	A	1	9400	Auditing Services Revolving Account
484	GA	GA	1100	A	1	9400	Administrative Hearings Revolving Account
485	BD	BA	1850	B	2	9321	Horse Racing Commission Washington Bred Owners' Bonus Fund and Breeder Awards Account
488	AC	AA	1050	A	1	9321	Special Personnel Litigation Revolving Account
489	AC	AA	7000	A	1	9321	Pension Funding Stabilization Account
490	AZ	AA	4050	B	2	9320	Regional Transportation Investment District Account
495	BB	BA	4050	N	2	9320	Toll Collection Account
496	BG	BA	3400	M	2	9310	Future Teachers Conditional Scholarship Account
497	BD	BA	1850	B	2	9321	Horse Racing Commission Class C Purse Fund Account
498	BE	BA	2400	B	2	9323	Washington State Council of Fire Fighters Benevolent Account
499	BE	BA	2400	B	2	9323	Law Enforcement Memorial Account
500	BF	BA	4610	A	1	9324	Perpetual Surveillance and Maintenance Account
501	BD	BA	1950	A	2	9321	Liquor Revolving Account
503	BG	BA	3540	B	2	9310	Tuition Recovery Trust Account
505	FH	FA	3600	H	3	9400	University of Washington - University Hospital Account
507	BF	BA	4770	A	1	9324	Oyster Reserve Land Account
508	FI	FA	LCLO	N	3	9400	Miscellaneous Enterprise Activities Account
511	BA	BA	4050	A	1	9234	Tacoma Narrows Toll Bridge Account
512	FE	FA	LCLO	N	3	9400	Institutional Stores Account
513	BF	BA	4900	A	1	9324	Derelict Vessel Removal Account
514	AZ	AA	4710	B	2	9324	Agricultural Conservation Easements Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
515	BE	BA	2250	B	2	9323	DNA Data Base Account
516	BF	BA	4950	B	2	9324	Fruit and Vegetable Inspection Account
522	FH	FA	LCLO	N	3	9400	Institutions of Higher Education – Associated Students' Account
523	IA	HB	0900	N	4	9554	Public Funds Investment Account
524	FH	FA	LCLO	N	3	9400	Institutions of Higher Education – Bookstore Account
525	KA	HD	0850	N	2	N/A	Washington State Combined Fund Drive Account
526	JD	HA	3050	N	3	9400	Veterans' Memorial Account
527	JD	HA	1400	N	3	9400	Administrator for Intestate Estates Accounts
528	FH	FA	LCLO	N	3	9400	Institutions of Higher Education – Parking Account
532	BE	BA	1030	A	1	9323	Washington Housing Trust Account
534	AC	AA	3400	N	2	9310	Washington Graduate Fellowship Trust Account
535	BB	BA	4050	A	1	9320	Alaskan Way Viaduct Replacement Project Account
536	BE	BA	3500	B	2	9240	Federal Food Service Revolving Account
543	FI	FA	0550	A	2	9400	Judicial Information Systems Account
544	FI	FA	4620	M	2	9400	Pollution Liability Insurance Program Trust Account
545	FI	FA	4620	B	2	9400	Heating Oil Pollution Liability Trust Account
546	GE	GA	1790	B	2	9400	Risk Management Administration Account
547	GE	GA	1790	N	2	9400	Liability Account
548	AC	AA	3410	B	1	9321	Law Enforcement Officers’ and Fire Fighters’ Retirement System Plan 2 Expense Account
549	BD	BA	0850	A	1	9238	Election Account
550	BA	BA	4050	A	1	9234	Transportation 2003 Account (Nickel Account)
551	AC	AA	1030	M	2	9323	Washington Youth and Families Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
552	AC	AA	4710	A	2	9324	Conservation Assistance Revolving Account
553	BD	BA	0950	B	2	9321	Performance Audits of Government Account
561	BG	BA	6990	B	2	9310	Community and Technical College Innovation Account
562	BE	BA	3000	A	1	9240	Skilled Nursing Facility Safety Net Trust Fund Account
563	AZ	AA	4050	A	1	9320	Columbia River Crossing Project Account
564	BF	BA	4610	A	1	9324	Water Pollution Control Revolving Administration Account
565	BF	BA	4610	A	1	9324	Yakima Integrated Plan Implementation Revenue Recovery Account
566	BF	BA	4900	A	1	9321	Community Forest Trust Account
569	FH	FA	LCLO	N	3	9400	Institutions of Higher Education - Food Services Account
570	FH	FA	LCLO	N	3	9400	Institutions of Higher Education - Other Enterprises Account
571	BA	BA	4050	A	1	9234	Multiuse Roadway Safety Account
573	FH	FA	LCLO	N	3	9400	Institutions of Higher Education - Housing and Food Account
575	FE	FA	3100	N	3	9400	Vocational Education Revolving Account - Corrections
577	FD	FA	1160	B	3	9400	State Lottery Account
578	FD	FA	1160	A	1	9400	Lottery Administrative Account
595	BA	BA	4050	A	1	9320	Interstate 405 Express Toll Lanes Operations Account
600	BD	BA	1240	M	1	9321	Department of Retirement Systems Expense Account
601	EA	EA	1260	N	1	9230	Agricultural Permanent Account
603	EA	EA	1260	N	1	9242	Millersylvania Park Trust Account
604	EA	EA	1260	N	1	9230	Normal School Permanent Account
605	EC	EA	1260	N	1	9232	Permanent Common School Account
606	EA	EA	1260	N	1	9230	Scientific Permanent Account
607	EA	EA	1260	N	1	9230	State University Permanent Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
608	FB	FA	2350	M	1	9400	Accident Account
609	FB	FA	2350	M	1	9400	Medical Aid Account
610	FB	FA	2350	N	1	9400	Accident Reserve Account
614	HN	HC	2200	N	1	9550	Volunteer Firefighters' and Reserve Officers' Relief and Pension Principal Account
615	HL	HC	1240	N	1	960x	Washington State Patrol Retirement System Plan 1 Account
616	HQ	HC	1240	N	1	960x	Judges' Retirement Account
620	FG	FA	5400	N	3	9545	Unemployment Compensation Account
622	FG	FA	5400	N	3	9545	Unemployment Compensation Federal Employees' Benefit Payment Account
630	HK	HC	1240	N	1	960x	Washington State Patrol Retirement System Plan 2 Account
631	HA	HC	1240	N	1	960x	Public Employees' Retirement System Plan 1 Account
632	HE	HC	1240	N	1	960x	Teachers' Retirement System Plan 1 Account
633	HR	HC	1240	N	1	960x	School Employees' Retirement System Combined Plan 2 and 3 Account
635	HH	HC	1240	N	1	960x	Public Safety Employees' Retirement System Plan 2 Account
636	KA	HD	3000	N	3	N/A	Foster Care Trust Account
641	HB	HC	1240	N	1	960x	Public Employees' Retirement System Combined Plan 2 and 3 Account
642	HF	HC	1240	N	1	960x	Teachers' Retirement System Combined Plan 2 and 3 Account
644	BE	BA	3100	N	3	9323	Community Services Revolving Account
645	BD	BA	LCLO	M	3	9232	Washington State Historical Trust Account
646	AC	AA	1240	N	2	9310	Higher Education Retirement Plan Supplemental Benefit Account
649	MZ	MA	LCL0	N	3	9400	Discrete Component Unit Processing Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
651	KA	HD	LCLO	N	3	N/A	Institutional Residents' Deposit Account
653	AC	AA	3400	N	2	9310	Washington Distinguished Professorship Trust Account
660	KA	HD	4900	N	2	N/A	Natural Resources Deposit Account
687	BH	BA	4950	N	2	9244	Rural Rehabilitation Account
688	BB	BA	4050	N	2	9234	Federal Local Rail Service Assistance Account
689	BH	BA	1030	A	1	9325	Rural Washington Loan Account
721	GF	GA	1070	N	2	9400	Public Employees' and Retirees' Insurance Account
722	HT	HC	1240	N	1	9551	Deferred Compensation Principal Account
727	BF	BA	4610	A	1	9242	Water Pollution Control Revolving Account
729	HP	HC	0550	N	1	9550	Judicial Retirement Principal Account
730	GF	GA	1070	N	2	9400	Public Employees' and Retirees' Insurance Reserve Account
731	BE	BA	1030	N	2	9323	Child Care Facility Revolving Account
732	BE	BA	3000	N	2	9240	Nursing Home Civil Penalties Account
733	BD	BA	1790	N	1	9330	Capitol Campus Reserve Account
734	KC	HD	0900	N	2	N/A	Centennial Document Preservation and Modernization Account
737	KC	HD	2400	N	2	N/A	High Occupancy Vehicle Account
738	JD	HA	3000	N	2	9400	DSHS Trust Account
739	GA	GA	0100	N	2	9400	Certificates of Participation and Other Financing Account - State
743	AC	AA	6990	N	2	9310	College Faculty Awards Trust Account
746	BH	BA	1030	B	2	9325	Hanford Area Economic Investment Account
747	AC	AA	3400	B	2	9310	Health Professionals Loan Repayment and Scholarship Program Account
748	AC	AA	3400	B	2	9310	Student Achievement Council Fund for Innovation and Quality Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
749	BD	BA	1050	N	2	9321	Governor's ICSEW Account
752	KA	HD	LCLO	N	3	N/A	Institutional Clearing and Transmittal Account
753	AC	AA	3000	N	3	9323	DSHS Child Support Services Account
755	BE	BA	3000	N	3	9323	Community Service Office and Division of Children and Family Services Administrators' Account
757	KA	HD	2400	N	2	N/A	Maritime Historic Restoration and Preservation Account
759	BD	BA	LCLO	M	3	9321	Miscellaneous Program Account
761	BE	BA	1070	B	2	9323	Basic Health Plan Subscription Account
763	BE	BA	3500	B	2	9323	Center for the Improvement of Student Learning Account
768	KC	HD	1400	N	1	N/A	Local Real Estate Excise Tax Account
773	BG	BA	3400	N	2	9310	Washington Interstate Commission on Higher Education Professional Student Exchange Program Trust Account
774	BG	BA	3600	N	2	9310	UW License Plate Account
775	KA	HD	1950	N	3	N/A	Seized Contraband Account
776	BG	BA	3650	N	2	9310	WSU License Plate Account
777	BE	BA	1030	A	1	9323	Prostitution Prevention and Intervention Account
778	BG	BA	3800	N	2	9310	WWU License Plate Account
779	BG	BA	3700	N	2	9310	EWU License Plate Account
780	BB	BA	2280	A	2	9320	School Zone Safety Account
781	AC	AA	4650	B	2	9324	Cross-State Trail Account
783	BG	BA	3750	N	2	9310	CWU License Plate Account
784	BB	BA	4050	N	2	9234	Miscellaneous Transportation Programs Account
785	BG	BA	3400	B	1	9310	State Educational Trust Fund Account
786	BG	BA	3760	N	2	9310	TESC License Plate Account
788	FK	FA	3400	M	2	9400	Advanced College Tuition Payment Program Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
789	BF	BA	4050	N	2	9324	Advanced Environmental Mitigation Revolving Account
790	KA	HD	LCLO	N	3	N/A	College Clearing Account
793	AZ	AA	1600	B	2	9321	Health Insurance Pool Account
795	KD	HD	1260	N	1	N/A	State Investment Board Commingled Monthly Bond Account
797	KC	HD	1400	N	2	N/A	Local Tourism Promotion Account
799	JD	HA	1030	N	2	9400	Washington Achieving a Better Life Experience Program Account
800	BE	BA	LCLO	N	3	9321	Institutional Welfare and Betterment Account
801	KA	HD	1260	N	3	N/A	Opportunity Scholarship Custodial Account
816	BD	BA	1050	B	2	9340	Stadium and Exhibition Center Account
817	AC	AA	1050	B	2	9238	Stadium and Exhibition Center Construction Account
818	BD	BA	4670	B	1	9325	Youth Athletic Facility Account
819	HI	HC	1240	N	1	960x	Washington Law Enforcement Officers' and Firefighters' System Plan 1 Retirement Account
821	BE	BA	3030	N	2	9323	Impaired Physician Account
823	BF	BA	4950	B	2	9324	Livestock Nutrient Management Account
825	BE	BA	7000	A	1	9323	Tobacco Settlement Account
828	AC	AA	3030	A	1	9323	Tobacco Prevention and Control Account
829	HJ	HC	1240	N	1	960x	Washington Law Enforcement Officers' and Firefighters' System Plan 2 Retirement Account
830	AC	AA	4900	A	1	9310	Agricultural College Trust Management Account
833	BE	BA	1030	M	2	9240	Developmental Disabilities Endowment Trust Account
834	BD	BA	3900	B	2	9330	Capitol Furnishings Preservation Committee Account
835	AC	AA	3400	B	2	9310	Four Year Student Child Care in Higher Education Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
837	AC	AA	3400	N	2	9310	Washington Promise Scholarship Account
838	HJ	HC	3410	N	2	9603	LEOFF Retirement System Benefits Improvement Account
840	KA	HD	LCLO	N	3	N/A	Institutions of Higher Education - Agency Account
841	EA	EA	3800	N	3	9230	G. Robert Ross Endowment Account
842	EA	EA	3400	N	2	9230	American Indian Scholarship Endowment Account
843	EA	EA	LCLO	N	3	9230	Exceptional Faculty Awards Endowment Account
844	BD	BA	1240	B	1	9321	Money-Purchase Retirement Savings Administrative Account
846	BG	BA	LCLO	N	3	9310	Grants-In-Aid Scholarships and Fellowships Account
849	BG	BA	LCLO	N	3	9310	Institutions of Higher Education - Student Loan Account
850	BG	BA	LCLO	N	3	9310	Institutions of Higher Education - Work Study Account
851	EA	EA	3000	A	1	9240	Developmental Disabilities Community Trust Account
852	EA	EA	3400	N	2	9230	Foster Care Scholarship Endowment Account
857	EA	EA	LCLO	N	3	9230	Institutions of Higher Education - Annuity and Life Income Account
859	EA	EA	LCLO	N	3	9230	Institutions of Higher Education - Endowment Local Account
860	BG	BA	LCLO	N	3	9310	Institutions of Higher Education - Institutional Financial Aid Account
865	KD	HD	1260	N	1	N/A	State Investment Board Commingled Trust Account
874	BE	BA	1240	B	1	9323	O.A.S.I. Revolving Account
877	KA	HD	5400	N	1	N/A	O.A.S.I. Contribution Account
878	BD	BA	3500	N	2	9242	Federal Forest Revolving Account
880	BB	BA	4050	N	2	9320	Advance Right-Of-Way Revolving Account
881	FB	FA	2350	N	1	9400	Supplemental Pension Account
882	HM	HC	1240	N	1	960x	Washington Judicial Retirement System Account

Account Code	Roll-Up Fund Code	Fund Type Code	Admin. Agency Code	Budget Type Code	Cash Type	Closing GL Code	Account Title
883	FB	FA	2350	N	1	9400	Second Injury Account
884	BD	BA	1170	B	2	9321	Gambling Revolving Account
885	BE	BA	2350	A	2	9323	Plumbing Certificate Account
887	BH	BA	1030	A	1	9325	Public Facility Construction Loan Revolving Account
888	BD	BA	1240	B	1	9321	Deferred Compensation Administrative Account
892	BE	BA	2350	A	2	9323	Pressure Systems Safety Account
893	BE	BA	3030	N	1	9323	Radiation Perpetual Maintenance Account
997	LA	IA	LCLO	N	3	9850	General Capital Assets Subsidiary Account
998	KD	HD	0900	N	1	N/A	Cash Management Account – Current Account
999	LB	JA	LCLO	N	3	1820	General Long-Term Obligations Subsidiary Account
FH1	FH	FA	LCLO	N	3	9400	Higher Education Blended Component Units
FH2	FH	FA	LCLO	N	3	9400	Higher Education Internal Lending Account

Note: N/A – Agency funds are custodial in nature and do not report revenues or expenditures/expenses.

75.30.60 Account codes: alphabetical by title

January 1, 2017

ACCOUNT CODE	ACCOUNT TITLE
18K	24/7 Sobriety Account
19E	4-H Programs Account
198	Access Road Revolving Account
16L	Accessible Communities Account
608	Accident Account
610	Accident Reserve Account
120	Administrative Contingency Account
484	Administrative Hearings Revolving Account
527	Administrator for Intestate Estates Account
274	Adult Family Home Account
880	Advance Right-Of-Way Revolving Account
788	Advanced College Tuition Payment Program Account
789	Advanced Environmental Mitigation Revolving Account
039	Aeronautics Account
17R	Aerospace Training Student Loan Account
12C	Affordable Housing for All Account
830	Agricultural College Trust Management Account
514	Agricultural Conservation Easements Account
126	Agricultural Local Account
601	Agricultural Permanent Account
219	Air Operating Permit Account
216	Air Pollution Control Account
535	Alaskan Way Viaduct Replacement Project Account
842	American Indian Scholarship Endowment Account
424	Anti-Trust Revolving Account
16M	Appraisal Management Company Account
10A	Aquatic Algae Control Account
09M	Aquatic Invasive Species Enforcement Account
09N	Aquatic Invasive Species Prevention Account
158	Aquatic Land Dredged Material Disposal Site Account
02R	Aquatic Lands Enhancement Account
003	Architects' License Account
03B	Asbestos Account
12E	Assisted Living Facility Temporary Management Account
483	Auditing Services Revolving Account

ACCOUNT CODE	ACCOUNT TITLE
14G	Ballast Water Management Account
116	Basic Data Account
17K	Basic Health Plan Stabilization Account
761	Basic Health Plan Subscription Account
172	Basic Health Plan Trust Account
20S	Behavioral Health Innovation Account
199	Biosolids Permit Account
15M	Biotoxin Account
12J	Boating Activities Account
09B	Boating Safety Education Certification Account
15T	Broadband Mapping Account
20B	Brownfield Redevelopment Trust Fund Account
14B	Budget Stabilization Account
084	Building Code Council Account
15J	Building Communities Fund Account
06L	Business and Professions Account
15N	Business Assistance Account
02H	Business Enterprises Revolving Account
03N	Business License Account
19V	Cancer Research Endowment Fund Match Transfer Account
18J	Capital Vessel Replacement Account
036	Capitol Building Construction Account
733	Capitol Campus Reserve Account
834	Capitol Furnishings Preservation Committee Account
998	Cash Management Account - Current Account
734	Centennial Document Preservation and Modernization Account
19H	Center for Childhood Deafness and Hearing Loss Account
763	Center for the Improvement of Student Learning Account
063	Central Washington University Capital Projects Account
449	Certificates of Participation and Other Financing Account - Local
739	Certificates of Participation and Other Financing Account - State
02J	Certified Public Accountants' Account
20D	Certified Public Accounting Scholarship Transfer Account
042	Charitable, Educational, Penal, and Reformatory Institutions Account
12M	Charitable Organization Education Account
19L	Charter Schools Oversight Account
21B	Chehalis Basin Account
18T	Child and Family Reinvestment Account

ACCOUNT CODE	ACCOUNT TITLE
731	Child Care Facility Revolving Account
19P	Child Rescue Account
133	Children's Trust Account
09P	City-County Assistance Account
189	Clarke-McNary Account
15H	Cleanup Settlement Account
259	Coastal Crab Account
408	Coastal Protection Account
790	College Clearing Account
743	College Faculty Awards Trust Account
10P	Columbia River Basin Water Supply Development Account
563	Columbia River Crossing Project Account
16H	Columbia River Recreational Salmon and Steelhead Endorsement Program Account
18B	Columbia River Basin Taxable Bond Water Supply Development Account
296	Columbia River Basin Water Supply Revenue Recovery Account
15K	Columbia River Water Delivery Account
07T	Commemorative Works Account
07F	Commercial Fisheries Buyback Account
113	Common School Construction Account
263	Community and Economic Development Fee Account
060	Community and Technical College Capital Projects Account
246	Community and Technical College Forest Reserve Account
561	Community and Technical College Innovation Account
566	Community Forest Trust Account
14H	Community Preservation and Development Authority Account
755	Community Service Office and Division of Children and Family Services Administrators' Account
644	Community Services Revolving Account
17N	Complete Streets Grant Program Account
20H	Connecting Washington Account
552	Conservation Assistance Revolving Account
458	Consolidated Technology Services Revolving Account
07E	Contract Harvesting Revolving Account
241	COP Account – Ecology Building
401	Correctional Industries Account
206	Cost of Supervision Account
186	County Arterial Preservation Account

ACCOUNT CODE	ACCOUNT TITLE
03L	County Criminal Justice Assistance Account
17A	County Enhanced 911 Excise Tax Account
01F	Crime Victims' Compensation Account
328	Criminal Justice Training Commission Firing Range Maintenance Account
05C	Criminal Justice Treatment Account
781	Cross-State Trail Account
783	CWU License Plate Account
275	CWU Operating Fees Account
482	Dairy/Forage Facility Revolving Account
21D	Dairy Nutrient Infrastructure Account
18N	Damage Prevention Account
02K	Death Investigations Account
380	Debt-Limit General Fund Bond Retirement Account
381	Debt-Limit Reimbursable Bond Retirement Account
315	Dedicated Marijuana Account
888	Deferred Compensation Administrative Account
722	Deferred Compensation Principal Account
600	Department of Retirement Systems Expense Account
513	Derelict Vessel Removal Account
851	Developmental Disabilities Community Trust Account
833	Developmental Disabilities Endowment Trust Account
19N	Diesel Idle Reduction Account
16N	Disabled Veterans Assistance Account
05H	Disaster Response Account
649	Discrete Component Unit Processing Account
515	DNA Data Base Account
201	DOL Services Account
19T	DOL Technology Improvement and Data Management Account
07W	Domestic Violence Prevention Account
04R	Drinking Water Assistance Account
05R	Drinking Water Assistance Administrative Account
753	DSHS Child Support Services Account
738	DSHS Trust Account
20L	Early Start Account
098	Eastern Washington Pheasant Enhancement Account
061	Eastern Washington University Capital Projects Account
09R	Economic Development Strategic Reserve Account
20V	Economic Gardening Pilot Project Account

ACCOUNT CODE	ACCOUNT TITLE
253	Education Construction Account
08A	Education Legacy Trust Account
291	Education Savings Account
421	Education Technology Revolving Account
18E	Educator Certification Processing Account
549	Election Account
20J	Electric Vehicle Charging Infrastructure Account
095	Electrical License Account
11J	Electronic Products Recycling Account
03C	Emergency Medical Services and Trauma Care Systems Trust Account
134	Employment Services Administrative Account
11A	Employment Training Finance Account
195	Energy Account
10R	Energy Freedom Account
15P	Energy Recovery Act Account
03F	Enhanced 911 Account
422	Enterprise Services Account
19G	Environmental Legacy Stewardship Account
02M	Essential Rail Assistance Account
15R	Evergreen Jobs Training Account
843	Exceptional Faculty Awards Endowment Account
03A	Excess Earnings Account
779	EWU License Plate Account
131	Fair Account
10W	Family and Medical Leave Enforcement Account
14F	Family Leave Insurance Account
09C	Farm and Forest Account
162	Farm Labor Contractor Account
536	Federal Food Service Revolving Account
878	Federal Forest Revolving Account
688	Federal Local Rail Service Assistance Account
141	Federal Seizure Account
304	Ferry Bond Retirement Account
480	Financial Education Public-Private Partnership Account
14M	Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account
300	Financial Services Regulation Account
225	Fingerprint Identification Account

ACCOUNT CODE	ACCOUNT TITLE
210	Fire Protection Contractor License Account
086	Fire Service Training Account
03P	Fire Service Trust Account
146	Firearms Range Account
07V	Fish and Wildlife Enforcement Reward Account
444	Fish and Wildlife Equipment Revolving Account
08G	Flexible Spending Administrative Account
02P	Flood Control Assistance Account
15B	Food Animal Veterinarian Conditional Scholarship Account
17L	Foreclosure Fairness Account
11H	Forest and Fish Support Account
014	Forest Development Account
190	Forest Fire Protection Assessment Account
19C	Forest Practices Application Account
08B	Foster Care Endowed Scholarship Trust Account
852	Foster Care Scholarship Endowment Account
636	Foster Care Trust Account
835	Four Year Student Child Care in Higher Education Account
09E	Freight Mobility Investment Account
11E	Freight Mobility Multimodal Account
222	Freshwater Aquatic Weeds Account
516	Fruit and Vegetable Inspection Account
15V	Funeral and Cemetery Account
496	Future Teachers Conditional Scholarship Account
841	G. Robert Ross Endowment Account
884	Gambling Revolving Account
357	Gardner-Evans Higher Education Construction Account
997	General Capital Assets Subsidiary Account
001	General Fund
999	General Long-Term Obligations Subsidiary Account
12P	Geoduck Aquaculture Research Account
298	Geologists' Account
01E	Geothermal Account
12N	GET Ready for Math and Science Scholarship Account
08C	Gonzaga University Alumni Association Account
749	Governor's ICSEW Account
080	Grade Crossing Protective Account
128	Grain Inspection Revolving Account

ACCOUNT CODE	ACCOUNT TITLE
846	Grants-In-Aid Scholarships and Fellowships Account
12B	Green Energy Incentive Account Subaccount of the Energy Freedom Account
285	Growth Management Planning and Environmental Review Account
15W	Guaranteed Asset Protection Waiver Account
244	Habitat Conservation Account
746	Hanford Area Economic Investment Account
207	Hazardous Waste Assistance Account
17T	Health Benefit Exchange Account
418	Health Care Authority Administrative Account
10L	Health Insurance Partnership Account
793	Health Insurance Pool Account
747	Health Professionals Loan Repayment and Scholarship Program Account
02G	Health Professions Account
545	Heating Oil Pollution Liability Trust Account
07J	“Helping Kids Speak” Account
11N	Heritage Barn Preservation Account
18F	High School Completion Account
09F	High-Occupancy Toll Lanes Operations Account
737	High Occupancy Vehicle Account
FH1	Higher Education Blended Component Units
01L	Higher Education Construction Account
652	Higher Education Facilities Account
FH2	Higher Education Internal Lending Account
252	Higher Education Non-Proprietary Local Capital Account
455	Higher Education Personnel Services Account
646	Higher Education Retirement Plan Supplemental Benefit Account
303	Highway Bond Retirement Account
096	Highway Infrastructure Account
106	Highway Safety Account
10B	Home Security Fund Account
17B	Home Visiting Services Account
10T	Hood Canal Aquatic Rehabilitation Bond Account
169	Horse Racing Commission Operating Account
497	Horse Racing Commission Class C Purse Fund Account
485	Horse Racing Commission Washington Bred Owners’ Bonus Fund and Breeder Awards Account
002	Hospital Data Collection Account
11R	Hospital Infection Control Grant Account

ACCOUNT CODE	ACCOUNT TITLE
16W	Hospital Safety Net Assessment Account
18L	Hydraulic Project Approval Account
14V	Ignition Interlock Device Revolving Account
470	Imaging Account
281	Impaired Driving Safety Account
821	Impaired Physician Account
12R	Independent Youth Housing Account
17M	Individual-Based/Portable Background Check Clearance Account
08E	Individual Development Account Program Account
03K	Industrial Insurance Premium Refund Account
446	Industrial Insurance Rainy Day Fund Account
447	Information Technology Investment Revolving Account
752	Institutional Clearing and Transmittal Account
01N	Institutional Impact Account
651	Institutional Residents' Deposit Account
512	Institutional Stores Account
800	Institutional Welfare and Betterment Account
840	Institutions of Higher Education - Agency Account
857	Institutions of Higher Education - Annuity and Life Income Account
522	Institutions of Higher Education - Associated Students' Account
524	Institutions of Higher Education - Bookstore Account
443	Institutions of Higher Education - Data Processing Account
148	Institutions of Higher Education - Dedicated Local Account
859	Institutions of Higher Education - Endowment Local Account
143	Institutions of Higher Education - Federal Appropriations Account (Morrill-Bankhead-Jones Act Account)
569	Institutions of Higher Education - Food Services Account
145	Institutions of Higher Education - Grants and Contracts Account
573	Institutions of Higher Education - Housing and Food Account
860	Institutions of Higher Education - Institutional Financial Aid Account
460	Institutions of Higher Education - Motor Pool Account
149	Institutions of Higher Education - Operating Fees Account
570	Institutions of Higher Education - Other Enterprises Account
450	Institutions of Higher Education - Other Facilities Account
528	Institutions of Higher Education - Parking Account
147	Institutions of Higher Education - Plant Account
448	Institutions of Higher Education - Printing Account
457	Institutions of Higher Education - Retirement Benefits Revolving Account

ACCOUNT CODE	ACCOUNT TITLE
440	Institutions of Higher Education - Stores Account
849	Institutions of Higher Education - Student Loan Account
850	Institutions of Higher Education - Work Study Account
138	Insurance Commissioner's Regulatory Account
595	Interstate 405 Express Toll Lanes Operations Account
10V	Invasive Species Council Account
20F	Invest in Washington Account
18A	Investing in Innovation Account
409	Investment Income Account
616	Judges' Retirement Account
543	Judicial Information Systems Account
177	Judicial Retirement Administrative Account
729	Judicial Retirement Principal Account
16A	Judicial Stabilization Trust Account
283	Juvenile Accountability Incentive Account
432	King Street Railroad Station Facility Account
030	Landowner Contingency Forest Fire Suppression Account
16B	Landscape Architects’ License Account
11P	Large On-Site Sewage Systems Account
499	Law Enforcement Memorial Account
838	Law Enforcement Officers' and Firefighters' Retirement System Benefits Improvement Account
548	Law Enforcement Officers’ and Fire Fighters’ Retirement System Plan 2 Expense Account
06K	Lead Paint Account
405	Legal Services Revolving Account
442	Legislative Gift Center Account
07L	Legislative International Trade Account
14N	Legislative Oral History Account
547	Liability Account
06T	License Plate Technology Account
20K	Licensing and Enforcement System Modernization Project Account
09K	Life Sciences Discovery Account
08F	Lighthouse Environmental Programs Account
17W	Limousine Carriers Account
107	Liquor Excise Tax Account
501	Liquor Revolving Account
823	Livestock Nutrient Management Account

ACCOUNT CODE	ACCOUNT TITLE
180	Local Government Administrative Hearings Account
441	Local Government Archives Account
01T	Local Leasehold Excise Tax Account
185	Local Museum Account - Eastern Washington State Historical Society
184	Local Museum Account - Washington State Historical Society
15F	Local Public Safety Enhancement Account
768	Local Real Estate Excise Tax Account
034	Local Sales and Use Tax Account
06N	Local Tax Administration Account
797	Local Tourism Promotion Account
174	Local Toxics Control Account
578	Lottery Administrative Account
477	Lottery Investment Account
150	Low-Income Weatherization and Structural Rehabilitation Assistance Account
262	Manufactured Home Installation Training Account
12F	Manufactured/Mobile Home Dispute Resolution Program Account
048	Marine Fuel Tax Refund Account
16P	Marine Resources Stewardship Trust Account
757	Maritime Historic Restoration and Preservation Account
19A	Medicaid Fraud Penalty Account
609	Medical Aid Account
202	Medical Test Site Licensure Account
14R	Military Department Active State Service Account
364	Military Department Capital Account
08H	Military Department Rental and Lease Account
018	Millersylvania Park Current Account
603	Millersylvania Park Trust Account
508	Miscellaneous Enterprise Activities Account
759	Miscellaneous Program Account
784	Miscellaneous Transportation Programs Account
205	Mobile Home Park Relocation Account
844	Money-Purchase Retirement Savings Administrative Account
07A	Mortgage Lending Fraud Prosecution Account
16K	Mortgage Recovery Fund Account
108	Motor Vehicle Account
082	Motorcycle Safety Education Account
16R	Multiagency Permitting Team Account
218	Multimodal Transportation Account

ACCOUNT CODE	ACCOUNT TITLE
571	Multiuse Roadway Safety Account
03M	Municipal Criminal Justice Assistance Account
413	Municipal Revolving Account
18M	Music Matters Awareness Account
18C	Native Education Public-Private Partnership Account
167	Natural Resources Conservation Areas Stewardship Account
660	Natural Resources Deposit Account
411	Natural Resources Equipment Account
04B	Natural Resources Real Property Replacement Account
154	New Motor Vehicle Arbitration Account
382	Nondebt-Limit General Fund Bond Retirement Account
384	Nondebt-Limit Proprietary Appropriated Bond Retirement Account
385	Nondebt-Limit Proprietary Nonappropriated Bond Retirement Account
383	Nondebt-Limit Reimbursable Bond Retirement Account
386	Nondebt-Limit Revenue Bond Retirement Account
268	Nonhighway and Off-Road Vehicle Activities (NOVA) Program Account
604	Normal School Permanent Account
20P	Nursing Facility Quality Enhancement Account
732	Nursing Home Civil Penalties Account
09L	Nursing Resource Center Account
877	O.A.S.I. Contributions Account
874	O.A.S.I. Revolving Account
01B	ORV and Nonhighway Vehicle Account
468	Office of Financial Management Central Service Account
436	Office of Financial Management's Labor Relations Service Account
217	Oil Spill Prevention Account
223	Oil Spill Response Account
453	O.M.W.B.E. Enterprises Account
18H	Opportunity Expansion Account
17C	Opportunity Express Account
801	Opportunity Scholarship Custodial Account
18G	Opportunity Scholarship Match Transfer Account
07B	Organ and Tissue Donation Awareness Account
12L	Outdoor Education and Recreation Program Account
070	Outdoor Recreation Account
507	Oyster Reserve Land Account
087	Park Land Trust Revolving Account
02N	Parkland Acquisition Account

ACCOUNT CODE	ACCOUNT TITLE
159	Parks Improvement Account
269	Parks Renewal and Stewardship Account
203	Passenger Ferry Account
489	Pension Funding Stabilization Account
553	Performance Audits of Government Account
605	Permanent Common School Account
500	Perpetual Surveillance and Maintenance Account
415	Personnel Service Account
025	Pilotage Account
297	Pipeline Safety Account
885	Plumbing Certificate Account
11M	Poet Laureate Account
20T	Pollution Liability Insurance Agency Underground Storage Tank Revolving Account
544	Pollution Liability Insurance Program Trust Account
08J	Prescription Drug Consortium Account
892	Pressure Systems Safety Account
08K	Problem Gambling Account
07N	Produce Railcar Pool Account
16T	Product Stewardship Programs Account
024	Professional Engineers' Account
777	Prostitution Prevention and Intervention Account
721	Public Employees' and Retirees' Insurance Account
730	Public Employees' and Retirees' Insurance Reserve Account
12V	Public Employees’ Benefits Board Medical Benefits Administration Account
631	Public Employees' Retirement System Plan 1 Account
641	Public Employees' Retirement System Combined Plan 2 and 3 Account
887	Public Facility Construction Loan Revolving Account
523	Public Funds Investment Account
04L	Public Health Services Account
319	Public Health Supplemental Account
006	Public Records Efficiency, Preservation and Access Account
635	Public Safety Employees’ Retirement System Plan 2 Account
245	Public Safety Reimbursable Bond Account
111	Public Service Revolving Account
234	Public Works Administration Account
058	Public Works Assistance Account
099	Puget Sound Capital Construction Account

ACCOUNT CODE	ACCOUNT TITLE
320	Puget Sound Crab Pot Buoy Tag Account
109	Puget Sound Ferry Operations Account
14C	Puget Sound Recovery Account
12K	Puget Sound Scientific Research Account
20M	Puget Sound Taxpayer Accountability Account
893	Radiation Perpetual Maintenance Account
20R	Radioactive Mixed Waste Account
16C	Real Estate and Property Tax Administration Assistance Account
06G	Real Estate Appraiser Commission Account
026	Real Estate Commission Account
04F	Real Estate Education Program Account
06R	Real Estate Research Account
027	Reclamation Account
237	Recreation Access Pass Account
267	Recreation Resources Account
04M	Recreational Fisheries Enhancement Account
097	Recreational Vehicle Account
14W	Reduced Cigarette Ignition Propensity Account
209	Regional Fisheries Enhancement Group Account
200	Regional Fisheries Enhancement Salmonid Recovery Account
11B	Regional Mobility Grant Program Account
490	Regional Transportation Investment District Account
11F	Reinvesting in Youth Account
19R	Residential Services and Support Account
041	Resource Management Cost Account
09G	Riparian Protection Account
546	Risk Management Administration Account
12G	Rockfish Research Account
102	Rural Arterial Trust Account
153	Rural Mobility Grant Program Account
687	Rural Rehabilitation Account
689	Rural Washington Loan Account
03R	Safe Drinking Water Account
165	Salary Reduction Account
06A	Salmon Recovery Account
290	Savings Incentive Account
359	School Construction and Skill Centers Building Account
633	School Employees’ Retirement System Combined Plan 2 and 3 Account

ACCOUNT CODE	ACCOUNT TITLE
19B	School for the Blind Account
780	School Zone Safety Account
18V	Science, Technology, Engineering, and Mathematics Education Lighthouse Account
606	Scientific Permanent Account
294	Sea Cucumber Dive Fishery Account
295	Sea Urchin Dive Fishery Account
19F	Seattle Seahawks Account
18R	Seattle Sounders FC Account
19M	Seattle University Account
883	Second Injury Account
407	Secretary of State's Revolving Account
06J	Securities Prosecution Account
775	Seized Contraband Account
403	Self-Insurance Revolving Account
445	Self-Insured Employer Overpayment Reimbursement Account
10F	Share the Road Account
433	Shared Game Lottery Account
461	Shared Information Technology System Revolving Account
125	Site Closure Account
14P	Skeletal Human Remains Assistance Account
08L	“Ski & Ride Washington” Account
562	Skilled Nursing Facility Safety Net Trust Fund Account
08M	Small City Pavement and Sidewalk Account
01M	Snowmobile Account
215	Special Category C Account
023	Special Grass Seed Burning Research Account
07K	Special License Plate Applicant Trust Account
488	Special Personnel Litigation Revolving Account
110	Special Wildlife Account
16E	Specialized Forest Products Outreach and Education Account
816	Stadium and Exhibition Center Account
817	Stadium and Exhibition Center Construction Account
277	State Agency Parking Account
051	State and Local Improvements Revolving Account - Waste Disposal Facilities
055	State and Local Improvements Revolving Account - Waste Disposal Facilities, 1980
072	State and Local Improvements Revolving Account - Water Supply Facilities

ACCOUNT CODE	ACCOUNT TITLE
057	State Building Construction Account
05W	State Drought Preparedness Account
785	State Educational Trust Fund Account
17E	State Efficiency and Restructuring Account
032	State Emergency Water Projects Revolving Account
08N	State Financial Aid Account
20A	State Flower Account
193	State Forest Nursery Revolving Account
056	State Higher Education Construction Account
795	State Investment Board Commingled Monthly Bond Account
865	State Investment Board Commingled Trust Account
031	State Investment Board Expense Account
577	State Lottery Account
08P	State Parks Education and Enhancement Account
081	State Patrol Highway Account
471	State Patrol Nonappropriated Airplane Revolving Account
035	State Payroll Revolving Account
17P	State Route Number 520 Civil Penalties Account
16J	State Route Number 520 Corridor Account
226	State Seizures Account
075	State Social and Health Services Construction Account
355	State Taxable Building Construction Account
173	State Toxics Control Account
132	State Trade Fair Account
404	State Treasurer's Service Account
607	State University Permanent Account
045	State Vehicle Parking Account
104	State Wildlife Account
466	Statewide Information Technology System Development Revolving Account
472	Statewide Information Technology System Maintenance and Operations Revolving Account
197	Statute Law Committee Publications Account
14L	Streamlined Sales and Use Tax Mitigation Account
748	Student Achievement Council Fund for Innovation and Quality Account
881	Supplemental Pension Account
04H	Surface Mining Reclamation Account
416	Surplus and Donated Food Commodities Revolving Account
02A	Surveys and Maps Account

ACCOUNT CODE	ACCOUNT TITLE
01P	Suspense Account
511	Tacoma Narrows Toll Bridge Account
642	Teachers' Retirement System Combined Plan 2 and 3 Account
632	Teachers' Retirement System Plan 1 Account
214	Temporary Worker Housing Account
786	TESC License Plate Account
066	The Evergreen State College Capital Projects Account
289	Thurston County Capital Facilities Account
02W	Timber Tax Distribution Account
828	Tobacco Prevention and Control Account
825	Tobacco Settlement Account
495	Toll Collection Account
389	Toll Facility Bond Retirement Account
05M	Tourism Development and Promotion Account
15A	Transitional Housing Operating and Rent Account
550	Transportation 2003 Account (Nickel Account)
410	Transportation Equipment Account
20N	Transportation Future Funding Program Account
144	Transportation Improvement Account
305	Transportation Improvement Board Bond Retirement Account
094	Transportation Infrastructure Account
08T	Transportation Innovative Partnership Account
09H	Transportation Partnership Account
12T	Traumatic Brain Injury Account
076	Treasury Income Account
503	Tuition Recovery Trust Account
196	Unclaimed Personal Property Account
182	Underground Storage Tank Account
01R	Undistributed Receipts Account
620	Unemployment Compensation Account
119	Unemployment Compensation Administration Account
622	Unemployment Compensation Federal Employees' Benefit Payment Account
04E	Uniform Commercial Code Account
438	Uniform Dental Plan Benefits Administration Account
439	Uniform Medical Plan Benefits Administration Account
12H	Uniformed Service Shared Leave Pool Account
19J	Universal Communications Services Account
16G	Universal Vaccine Purchase Account

ACCOUNT CODE	ACCOUNT TITLE
348	University of Washington Bond Retirement Account
064	University of Washington Building Account
387	University of Washington Facilities Bond Retirement Account
505	University of Washington - University Hospital Account
774	UW License Plate Account
260	UW Operating Fees Account
04V	Vehicle License Fraud Account
07C	Vessel Response Account
11V	Veteran Estate Management Account
12W	Veterans Conservation Corps Account
10K	Veterans Innovations Program Account
08V	Veterans Stewardship Account
213	Veterans' Emblem Account
526	Veterans' Memorial Account
575	Vocational Education Revolving Account - Corrections
17V	Volunteer Firefighters Account
204	Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account
614	Volunteer Firefighters' and Reserve Officers' Relief and Pension Principal Account
071	Warm Water Game Fish Account
799	Washington Achieving a Better Life Experience Program Account
11K	Washington Auto Theft Prevention Authority Account
09J	Washington Coastal Crab Pot Buoy Tag Account
463	Washington College Savings Program Account
15C	Washington Community Technology Opportunity Account
653	Washington Distinguished Professorship Trust Account
20G	Washington Farmers and Ranchers Account
17H	Washington Global Health Technologies and Product Development Account
534	Washington Graduate Fellowship Trust Account
532	Washington Housing Trust Account
20E	Washington Internet Crimes Against Children Account
773	Washington Interstate Commission of Higher Education Professional Student Exchange Program Trust Account
882	Washington Judicial Retirement System Account
819	Washington Law Enforcement Officers' and Firefighters' System Plan 1 Retirement Account

ACCOUNT CODE	ACCOUNT TITLE
829	Washington Law Enforcement Officers' and Firefighters' System Plan 2 Retirement Account
09T	Washington Main Street Trust Fund Account
17F	Washington Opportunity Pathways Account
837	Washington Promise Scholarship Account
21C	Washington Sexual Assault Kit Account
525	Washington State Combined Fund Drive Account
498	Washington State Council of Fire Fighters Benevolent Account
16F	Washington State Flag Account
14E	Washington State Heritage Center Account
645	Washington State Historical Trust Account
06H	Washington State Legacy Project, State Library, and Archives Account
615	Washington State Patrol Retirement System Plan 1 Account
630	Washington State Patrol Retirement System Plan 2 Account
347	Washington State University Bond Retirement Account
062	Washington State University Building Account
21A	Washington State Wrestling Account
20W	Washington Tennis Account
551	Washington Youth and Families Account
08W	“Washington’s National Park Fund” Account
044	Waste Reduction, Recycling, and Litter Control Account
08R	Waste Tire Removal Account
727	Water Pollution Control Revolving Account
564	Water Pollution Control Revolving Administration Account
11W	Water Quality Capital Account
176	Water Quality Permit Account
16V	Water Rights Processing Account
10G	Water Rights Tracking System Account
04W	Waterworks Operator Certification Account
09A	We Love Our Pets Account
065	Western Washington University Capital Projects Account
14A	Wildlife Rehabilitation Account
007	Winter Recreation Program Account
19W	Wolf-livestock Conflict Account
160	Wood Stove Education and Enforcement Account
163	Worker and Community Right to Know Account
776	WSU License Plate Account
271	WSU Operating Fees Account

ACCOUNT CODE	ACCOUNT TITLE
778	WWU License Plate Account
19K	Yakima Integrated Plan Implementation Account
20C	Yakima Integrated Plan Implementation Taxable Bond Account
565	Yakima Integrated Plan Implementation Revenue Recovery Account
818	Youth Athletic Facility Account
235	Youth Tobacco and Vapor Products Prevention Account

75.40
General Ledger Account Codes

75.40.10 Sequential by code number
October 1, 2016

GL CODE	GENERAL LEDGER CODE
	0000 - BUDGETARY & FULL TIME EQUIVALENT (FTE)
0001	Estimated cash receipts
0002	Estimated cash disbursements
0003	Estimated 25th month cash disbursements
0004	Estimated encumbrances
0005	Estimated unallotted FTEs
0006	Estimated accrued receipts
0064	Estimated contract expenditures
0110	Approved estimated FTEs
0111	Adjusted estimated FTEs
0120	Actual FTEs
0130	Accrued FTEs
0139	Receivable liquidations
0140	FTE liquidations
0159	Liability liquidations
0311	Adjusted estimated revenue
0611	Approved unallotted
0612	Adjusted unallotted
0613	Adjusted unallotted
0621	Approved allotments
0622	Adjusted allotments
0623	Adjusted allotments
0631	Approved reserve
0632	Adjusted reserve
0633	Adjusted reserve
0651	Federal cost allocation expenditures
0910	Budgetary control
0995	Expenditure control
0998	Statistical clearing

GL CODE	GENERAL LEDGER CODE
	1000 - ASSETS OTHER THAN CAPITAL
	1100 - CASH
1110	Cash in Bank
1120	Undeposited Local Cash
1130	Petty Cash
1140	Restricted Cash and Investments – Current Operations
1150	Cash with Fiscal Agents
	1200 - INVESTMENTS
1205	Temporary and/or Pooled Cash Investments
1206	Investments with Local Government Investment Pool
1209	Short-Term Portion of Long-Term Investments
1210	Investments
1215	Investments under Reverse Repurchase Agreements
1216	Collateral held under Securities Lending Agreements
1219	Investments in Commingled Trust Funds (SIB Only)
1220	Unamortized Premiums on Investments
1230	Unamortized Discounts on Investments
1240	Restricted Cash and Investments – Noncurrent
1271	Commingled Trust Funds Investments (SIB Only)
1272	Commingled Trust Funds Unamortized Premiums on Investments (SIB Only)
1273	Commingled Trust Funds Unamortized Discounts on Investments (SIB Only)
1278	Commingled Trust Funds Valuation Allowance - Investments (SIB Only)
1280	Valuation Allowance - Investments
	1300 - SHORT-TERM RECEIVABLES
	1310 and 1320 - SHORT-TERM RECEIVABLES
1311	Taxes Receivable
1312	Accounts Receivable
1313	Notes Receivable
1314	Loans Receivable
1315	Commingled Trust Funds Interest Receivable (SIB Only)
1316	Interest and Dividends Receivable
1317	Other Interest Receivable
1318	Unbilled Receivables
1319	Other Receivables
1320	Donations/Pledges Receivable
1323	Investment Trades Pending Receivable
1324	Salaries and Fringe Benefits Receivable
1328	Tax Liens Receivable

GL CODE	GENERAL LEDGER CODE
	1340 - ALLOWANCE FOR UNCOLLECTIBLE SHORT-TERM RECEIVABLES
1341	Allowance for Uncollectible Taxes Receivable
1342	Allowance for Uncollectible Accounts Receivable
1343	Allowance for Uncollectible Notes Receivable
1344	Allowance for Uncollectible Loans Receivable
1346	Allowance for Uncollectible Interest Receivable on Investments
1347	Allowance for Uncollectible Other Interest Receivable
1348	Allowance for Uncollectible Tax Liens Receivable
1349	Allowance for Uncollectible Other Receivables
	1350 - SHORT-TERM INTERGOVERNMENTAL AND INTRAGOVERNMENTAL RECEIVABLES
1350	Due from Other Funds - Advances
1351	Due from Federal Government
1352	Due from Other Governments
1353	Due from Other Funds
1354	Due from Other Agencies
1355	Due from Other Funds – Pooled Cash and Investments
1359	Due from Component Units
	1380 and 1390 - OTHER SHORT-TERM RECEIVABLES
1381	L & I Premium Estimated Receivables
1382	L & I Self Insurance Receivables
1383	Travel Advances
	1400 - INVENTORIES
1410	Consumable Inventories
1415	Donated Inventories
1420	Merchandise Inventories
1430	Work-in-Process Inventories
1440	Raw Materials Inventories
1450	Livestock
	1500 - PREPAID EXPENSES
1510	Prepaid Expenses
	1600 - LONG-TERM RECEIVABLES
1611	Taxes Receivable
1614	Loans Receivable
1615	Allowance for Forgivable Loans - Nonprofits
1619	Other Receivables
1620	Donations/Pledges Receivable
1629	Present Value Allowance (SAC Only)

GL CODE	GENERAL LEDGER CODE
	1640 - ALLOWANCE FOR UNCOLLECTIBLE LONG-TERM RECEIVABLES
1641	Allowance for Uncollectible Taxes Receivable
1644	Allowance for Uncollectible Loans Receivable
1649	Allowance for Uncollectible Other Receivables
	1650 - LONG-TERM INTERGOVERNMENTAL AND INTRA-GOVERNMENTAL RECEIVABLES
1651	Due from Federal Government
1652	Due from Other Governments
1653	Due from Other Funds
1654	Due from Other Agencies
1655	Allowance for Forgivable Loans – Other Governments
1659	Due from Component Units
1667	Due from Other Funds – Internal Lending (UW Only)
	1800 - GENERAL LONG-TERM OBLIGATIONS VALUATION
1810	Amount Available in Debt Service Funds
1820	Amount to be Provided for Retirement of Long-Term Obligations
	1900 - OTHER ASSETS
1910	Unamortized Discounts on Bonds Sold
1911	Unamortized Discounts on Certificates of Participation
1919	Other Noncurrent Assets
1950	Investment in Joint Ventures
1960	Restricted Net Pension Asset
	1970 - DEFERRED OUTFLOWS OF RESOURCES
1971	Deferred Outflows on COP Refundings
1972	Deferred Outflows on Bond Refundings
1973	Deferred Outflows on Hedging Derivatives
1974	Deferred Outflows on Pensions
	2000 - CAPITAL ASSETS
	2100 - NON-DEPRECIABLE CAPITAL ASSETS
2110	Land
2120	Transportation Infrastructure – Modified Approach
2130	Art Collections, Library Reserve Collections, and Museum and Historical Collections
2140	Intangible Assets with Indefinite Useful Lives
	2200 - BUILDINGS
2210	Buildings and Building Improvements
2220	Allowance for Depreciation – Buildings

GL CODE	GENERAL LEDGER CODE
	2300 - IMPROVEMENTS OTHER THAN BUILDINGS, LEASEHOLD IMPROVEMENTS, AND INFRASTRUCTURE
2310	Improvements other than Buildings
2320	Allowance for Depreciation – Improvements other than Buildings
2350	Leasehold Improvements
2360	Allowance for Depreciation – Leasehold Improvements
2370	Infrastructure
2380	Allowance for Depreciation – Infrastructure
	2400 - FURNISHINGS, EQUIPMENT, COLLECTIONS, AND INTANGIBLES
2410	Furnishings and Equipment
2420	Allowance for Depreciation – Furnishings and Equipment
2430	Library Resources
2440	Allowance for Depreciation – Library Resources
2450	Art Collections, Library Reserve Collections, and Museum and Historical Collections
2460	Allowance for Depreciation – Art Collections, Library Reserve Collections, and Museum and Historical Collections
2470	Intangible Assets with Definite Useful Lives
2480	Allowance for Amortization – Intangible Assets
	2500 - CONSTRUCTION IN PROGRESS
2510	Construction in Progress
	3000 - REVENUES AND OTHER FINANCING SOURCES
	3100 - ESTIMATED REVENUES
3110	Approved Estimated Revenues
3198	Estimated Revenue – Original
	3200 - ACTUAL REVENUES
3205	Accrued Revenues
3210	Cash Revenues
3213	Gains and Losses on Sales of Capital Assets
3215	Immaterial Adjustments to Prior Periods
3220	Noncash Revenues
3221	Other Financing Sources
3225	Revenue Adjustments/Eliminations (GAAP)
3260	Estimated Accrued Revenues

GL CODE	GENERAL LEDGER CODE
	4300 - CASH IN CUSTODY OF STATE TREASURER
4310	Current Treasury Cash Activity (OST Only)
4315	Warrants Outstanding (OST Only)
4320	Beginning Treasury Cash Balance Administering Agency (OFM Only)
4325	Beginning Treasury Cash Balance – Agency
	5000 - LIABILITIES
	5100 - SHORT-TERM LIABILITIES
	5110 - SHORT-TERM PAYABLES
5111	Accounts Payable
5112	Interest Payable
5113	Claims and Judgments Payable
5114	Annuities Payable (LOT Only)
5115	Contracts Payable
5116	Retained Percentages Payable
5117	Construction Contracts Payable
5118	Benefits Claims Payable (L&I Only)
5119	Employee Insurance Benefits Payable
	5120, 5130, and 5140 - SHORT-TERM ACCRUED LIABILITIES
5121	Matured Bonds Payable
5122	Matured Interest Payable
5123	Investment Trades Pending Payable
5124	Accrued Salaries and Fringe Benefits Payable
5125	Accrued Vacation Leave Payable
5126	Accrued Prizes Payable (LOT Only)
5127	Accrued Sick Leave Payable
5128	Accrued Compensatory Time Payable
5130	Due to Fiscal Agents
5140	Due to Terminated Employees
5145	Due to Deceased Employees' Estates
5148	L & I Retrospective Program Estimated Premium Refund Payables
5149	L & I Claims Administration Expense Payable
	5150 - SHORT-TERM INTERGOVERNMENTAL AND INTRAGOVERNMENTAL PAYABLES
5150	Due to Other Funds – Advances
5151	Due to Federal Government
5152	Due to Other Governments
5153	Due to Other Funds

GL CODE	GENERAL LEDGER CODE
5154	Due to Other Agencies
5155	Due to Other Funds – Pooled Cash and Investments
5156	Due to Owner Funds – Local Government Investment Pool (OST Only)
5157	Due to Owner Funds – Commingled Trust Funds Investment Income (SIB Only)
5158	Due to Department of Revenue – Taxes
5159	Due to Primary Government
	5160 - SHORT-TERM BONDS PAYABLE
5161	General Obligation (GO) Bonds Payable
5162	Revenue Bonds Payable
5163	Limited Obligation Bonds Payable
5164	Zero-Coupon GO Bonds Payable
5165	Accreted Interest Payable - Zero-Coupon Bonds
5167	General Revenue Bonds Payable – Internal Lending (UW Only)
5169	Other Bonds Payable
	5170 - SHORT-TERM INSTALLMENTS AND LEASES PAYABLE
5171	Installment-Purchase Contracts Payable
5172	Lease-Purchase Agreements Payable
5173	Certificates of Participation/Notes Payable
	5180 and 5190 - OTHER SHORT-TERM LIABILITIES
5181	Employee Insurance Deductions Payable
5182	EBT Authorized Benefits Payable
5183	Liability for Expunged EBT Benefits
5184	Tuition Benefits Payable
5187	Industrial Insurance and Medical Aid Deductions Payable
5188	Savings Bond Deductions Payable
5189	Garnishment Deductions Payable
5190	Unearned Revenues
5191	Deposits Payable
5193	Liability for Unclaimed Property Refunds
5194	Liability for Canceled Warrants/Checks
5195	Deferred Expenditure Recoveries
5196	Obligations under Reverse Repurchase Agreements
5197	Obligations under Securities Lending Agreements
5198	Loans Payable
5199	Other Liabilities

GL CODE	GENERAL LEDGER CODE
	5200 - LONG-TERM OBLIGATIONS
	5210, 5220, and 5240 - LONG-TERM PAYABLES
5212	Zero-Coupon Bonds – Accreted Interest Payable
5213	Claims and Judgments Payable
5216	Retained Percentages Payable
5225	Accrued Vacation Leave Payable
5226	Annuities Payable (LOT Only)
5227	Accrued Sick Leave Payable
5228	Accrued Compensatory Time Payable
5247	Liability for Deferred Compensation
	5250 - LONG-TERM INTERGOVERNMENTAL AND INTRA-GOVERNMENTAL PAYABLES
5251	Due to Federal Government
5252	Due to Other Governments
5253	Due to Other Funds
5254	Due to Other Agencies
5259	Due to Primary Government
	5260 - LONG-TERM BONDS PAYABLE
5261	General Obligation (GO) Bonds Payable
5262	Revenue Bonds Payable
5263	Limited Obligation Bonds Payable
5264	Zero-Coupon GO Bonds Payable
5267	General Revenue Bonds Payable – Internal Lending (UW Only)
5269	Other Bonds Payable
	5270 - LONG-TERM INSTALLMENTS AND LEASES PAYABLE
5271	Installment-Purchase Contracts Payable
5272	Lease-Purchase Agreements Payable
5273	Certificates of Participation/Notes Payable
	5280 and 5290 - OTHER LONG-TERM OBLIGATIONS
5281	Net Pension Liability
5282	Other Postemployment Benefits Obligation
5284	Tuition Benefits Payable
5285	Benefits Claims Payable (L&I Only)
5286	Claims Administration Expense Payable (L&I Only)
5287	Pollution Remediation Obligation
5290	Unearned Revenues
5291	Deposits Payable
5293	Liability for Unclaimed Property Refunds

GL CODE	GENERAL LEDGER CODE
5297	Fees Payable
5298	Other Obligations – Capital Related
5299	Other Obligations
	5900 - OTHER CREDITS
5910	Unamortized Premiums on Bonds Sold
5920	Unamortized Premiums on COPs Sold
	5192, 5266, 5268, 5283, and 5292 - DEFERRED INFLOWS OF RESOURCES
5192	Unavailable Revenues – Short-term
5265	Deferred Inflows on Pensions
5266	Deferred Inflows on COP Refundings
5268	Deferred Inflows on Bond Refundings
5283	Deferred Inflows on Hedging Derivatives
5292	Unavailable Revenues – Long-term
	6000 - BUDGETARY AND EXPENDITURE/EXPENSE CONTROL
	6100 - EXPENDITURE AUTHORITY AND ESTIMATED EXPENDITURES
6110	Approved Unallotted Expenditure Authority
6120	Approved Lapsing
	6200 - ALLOTMENTS
6210	Approved Allotments
6215	Estimated Unallotted Expenses
	6300 - RESERVES
6310	Approved Reserves
	6400 - OTHER ALLOTMENT CHARGES
6410	Encumbrances
	6500 - EXPENDITURES/EXPENSES
6505	Accrued Expenditures/Expenses
6510	Cash Expenditures/Expenses
6511	Depreciation/Amortization Expense
6512	Amortization Expense
6514	Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation
6515	Bad Debts Expense
6516	Cost of Goods Sold

GL CODE	GENERAL LEDGER CODE
6525	Expense Adjustments/Eliminations (GAAP)
6560	Estimated Accrued Expenditures/Expenses
6591	Depreciation/Amortization Expense (General Capital Assets Subsidiary Account Only)
6592	Interest Expense (General Long-Term Obligations Subsidiary Account Only)
6593	Amortization Expense (General Long-Term Obligations Subsidiary Account Only)
6594	Pollution Remediation Expense (General Long-Term Obligations Subsidiary Account Only)
6595	Other Postemployment Benefits Expense (General Long-Term Obligations Subsidiary Account Only)
6596	Excess Contributions for Pension Benefits (General Long-Term Subsidiary Account Only)
6597	Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)
6598	Pension Expense (General Long-Term Obligations Subsidiary Account Only)
	7000 - AFRS/TREASURY CLEARING
	7100 - IN-PROCESS CONTROL
7110	Receipts In-Process
7120	Warrants In-Process/ACH (Automated Clearing House) Payments In-Process
7130	Warrant Cancellations In-Process
7140	Journal Vouchers In-Process
	9000 - FUND BALANCE AND NET POSITION
	9100 - BUDGETARY CONTROL
9100	Budgetary Control Summary
	9110, 9120, and 9130 - NONSPENDABLE FUND BALANCE
9110	Nonspendable Permanent Fund Principal
9112	Nonspendable Permanent Funds – Unrealized Gain/Loss
9120	Nonspendable Consumable Inventories
9130	Nonspendable Student Loans Receivable
9131	Nonspendable Receivables – Long-Term
	9200 - RESTRICTED FUND BALANCE
9230	Restricted for Higher Education
9231	Restricted for Permanent Funds – Realized Investment Losses
9232	Restricted for Education

GL CODE	GENERAL LEDGER CODE
9234	Restricted for Transportation
9235	Restricted for Bond Covenants
9238	Restricted for Other Purposes
9240	Restricted for Human Services
9242	Restricted for Wildlife and Natural Resources
9244	Restricted for Local Grants and Loans
9246	Restricted for School Construction
9248	Restricted for State Facilities
9250	Restricted for Budget Stabilization
9252	Restricted for Debt Service
9255	Restricted for Cash and Investments with Escrow Agents and Trustees
9260	Restricted for Pollution Remediation Liabilities
9270	Restricted for Unspent Bond Proceeds
9271	Restricted for Operations and Maintenance Reserve
9272	Restricted for Repair and Replacement Reserve
9273	Restricted for Revenue Stabilization
9274	Restricted for Unspent GARVEE Bond Proceeds
9275	Restricted for Deferred Sales Tax
9283	Restricted for Third Tier Debt Service
9284	Restricted for Fourth Tier Debt Service
9285	Restricted for GARVEE Bond Debt Service
	9310, 9320, 9330, and 9340 - COMMITTED FUND BALANCE
9310	Committed for Higher Education
9311	Committed for Education
9320	Committed for Transportation
9321	Committed for Other Purposes
9323	Committed for Human Services
9324	Committed for Wildlife and Natural Resources
9325	Committed for Local Grants and Loans
9330	Committed for State Facilities
9340	Committed for Debt Service
	9370 - ASSIGNED FUND BALANCE
9370	Assigned for Working Capital (OFM Only)
9372	Assigned for Other Purposes
	9390 - UNASSIGNED FUND BALANCE
9390	Unassigned
	9510, 9513 and 9514 - BUDGETARY RESERVES
9510	Reserved for Encumbrances
9513	Reserved for Encumbrances for Reappropriated Capital Appropriations

GL CODE	GENERAL LEDGER CODE
9514	Reserved for Encumbrances for Continuing Operating Expenditure Authority
	9350, 9400 and 9545 - PROPRIETARY/GOVERNMENT-WIDE NET POSITION
9350	Net Investment in Capital Assets (OFM Only)
9400	Accumulated Earnings (Losses)
9410	Restricted Net Position
9450	Unrestricted Net Position (OFM Only)
9545	Restricted for Unemployment Compensation
9546	Restricted for Pensions
	9550 and 9600 - NET POSTION RESTRICTED FOR PENSIONS AND OTHER TRUSTS
9550	Restricted for Pensions
9551	Restricted for Deferred Compensation Participants
9554	Restricted for Local Government Investment Pool Participants
9601	Restricted for Members (DRS Only)
9603	Restricted for Benefits (DRS Only)
9604	Restricted for Benefits – Medical (DRS Only)
9607	Restricted for Higher Education Retirement Plan Supplemental Benefits (DRS only)
9608	Restricted for Members Defined Contributions – SIB (DRS Only)
9609	Restricted for Members Defined Contributions – Self-Directed (DRS Only)
	9700 - FUND BALANCE/NET POSTION CHANGES AND CORRECTIONS
9720	Prior Period Material Corrections (OFM Only)
9721	Fund Type Reclassification Changes (OFM Only)
9722	Accounting Policy Changes (OFM Only)
9723	Capital Asset Policy Changes
	9800 - GENERAL CAPITAL ASSETS VALUATION
9850	Investment in General Capital Assets
	9900 - AFRS CLEARING
9910	Current Period Clearing (Subsidiary Accounts Only)
9920	Current Period Clearing (All Fund Types Except Subsidiary Accounts)
9940	Reserve Clearing (DRS Only)
9998	Beginning Balance Clearing (OFM Only)

75.40.20 Sequential by code number with description

October 1, 2016

GL CODE	GENERAL LEDGER CODE DESCRIPTION
	0000 - BUDGETARY & FULL TIME EQUIVALENT (FTE) ACCOUNTS
0001	Estimated cash receipts
	Cash receipts are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, or automated clearing house (ACH) transfers) received by the state during a period regardless of when the moneys are earned.
0002	Estimated cash disbursements
	Cash disbursements are any moneys (e.g., checks, cash, warrants, credit or debit card amounts, and ACH transfers paid by the state during a period regardless of when the related obligations are incurred.
0003	Estimated 25th month cash disbursements
	This GL code is used to record estimated cash disbursements at year-end.
0004	Estimated encumbrances
	This GL code is used to record estimated encumbrances.
0005	Estimated unallotted FTEs
	This GL code is used to record estimated unallotted FTEs.
0006	Estimated accrued receipts
	This GL code is used to record estimated accrued receipts.
0064	Estimated contract expenditures
	This GL code is used to record estimated contract expenditures.
0110	Approved estimated FTEs
	Equivalent of 2088 hours of work in a fiscal year. “Approved” indicates that OFM has reviewed and approved the allotment.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
0111	Adjusted estimated FTEs Equivalent of 2088 hours of work in a fiscal year. "Adjusted" indicates that this is an allotment change made by the agency and is not reviewed and approved by OFM.
0120	Actual FTEs This GL code is used to record FTEs disbursed from July 1 to June 30.
0130	Accrued FTEs This GL code is used to record FTEs that have not yet been disbursed.
0139	Receivable liquidations This GL code is used to record receivable liquidations.
0140	FTE liquidations This GL code is used to record FTE liquidations (DSHS and HCA).
0159	Liability liquidations This GL code is used to record liability liquidations.
0311	Adjusted estimated revenue The balance of this GL code represents revenues estimated to be received during the biennium. Adjusted means OFM does not review and approve these estimates.
0611	Approved unallotted (Opt. #1 Object) Expenditure authority not specifically scheduled for expenditure. Approved means OFM has reviewed and approved these estimates.
0612	Adjusted unallotted (Opt. #1 Src. & Opt. #2) Expenditure authority not specifically scheduled for expenditure. Adjusted means OFM does not review and approve these estimates.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
0613	Adjusted unallotted (Opt. #1 Object) Expenditure authority not specifically scheduled for expenditure. Adjusted means OFM does not review and approve these estimates.
0621	Approved allotments (Opt. #1 Object) Monthly estimates by object and account, reviewed and approved by OFM.
0622	Adjusted allotments (Opt. #1 Src. & Opt. #2) Monthly estimates by object and account (Option 1) or by object (Option 2) adjusted by the agency and not approved by OFM.
0623	Adjusted allotments (Opt. #1 Object) Monthly estimates by object and account (Option 1) adjusted by the agency and not approved by OFM.
0631	Approved reserve (Opt. #1 Object) The balance of this GL code represents amounts transferred from allotted to reserve status for legislative appropriations. Approved indicates the allotment is approved by OFM.
0632	Adjusted reserve (Opt. #1 Src. & Opt. #2) The balance of this GL code represents amounts transferred from allotted to reserve status for legislative appropriations. Adjusted represents an allotment change not reviewed by OFM.
0633	Adjusted reserve (Opt. #1 Object) The balance of this GL code represents amounts transferred from allotted to reserve status for legislative appropriations. Adjusted represents an allotment change not reviewed by OFM.
0651	Federal cost allocation expenditures This GL code is used to record federal cost allocation expenditures.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
0910	Budgetary control
	This GL code is used in AFRS as an offset for entering activity to general ledger accounts. The balance of this GL code should be zero.
0995	Expenditure control
	This GL code is used in AFRS as an offset for entering activity to general ledger accounts. The balance of this GL code should be zero.
0998	Statistical clearing
	This GL code is used in AFRS as an offset for entering activity to general ledger accounts.
	1000 - ASSETS OTHER THAN CAPITAL
	1100 - CASH
1110	Cash in Bank
	This GL code is used to record all cash in the bank. This includes demand accounts such as checking and savings accounts. For treasury and treasury trust funds, only the State Treasurer uses this GL code. For local funds, this GL code is used by the individual state agency.
1120	Undeposited Local Cash
	This GL code is used to record cash on hand received by an agency for deposit into a bank account outside the treasury.
1130	Petty Cash
	This GL code is used to record petty cash on hand or in bank accounts for the purpose of making change or paying small obligations.
1140	Restricted Cash and Investments - Current Operations
	This GL code is used to record restricted cash and investments held by escrow agents and trustees that will be used in current operations for the payment of current liabilities. Examples include amounts held pursuant to a third party agreement that will be expended for current operations and amounts held to liquidate a current liability such as the retained percentage of contracts payable.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1150	Cash with Fiscal Agents
	This GL code is used to record cash deposited with fiscal agents for the payment of state obligations. Amounts held may be restricted.
	1200 - INVESTMENTS
1205	Temporary and/or Pooled Cash Investments
	This GL code is used to record the temporary and/or pooled investment of surplus cash balances or those investments that are readily convertible to known amounts of cash and so near their maturity when purchased that they present insignificant risk of changes in value because of changes in interest rates.
1206	Investments with Local Government Investment Pool
	This GL code is used to record the temporary investment of surplus funds with the Local Government Investment Pool. Statewide, all GL Codes 1206 and 5156 are to be in balance.
1209	Short-Term Portion of Long-Term Investments
	This GL code is used to record the portion of long-term investments that will mature within one year. This would include investments purchased in a current or prior period that are now within 12 months of maturity, except those in GL Code 1205.
1210	Investments
	This GL code is used to record the cost or par value of long-term securities or other assets that (a) are held primarily for the purpose of income or profit and (b) have present service capacity based solely on the ability to generate cash or to be sold to generate cash. These are investments that do not qualify as “Temporary and/or Pooled Cash Investments” (GL Code 1205) or “Short-Term Portion of Long-Term Investments” (GL Code 1209). Fair value adjustments are recorded to “Valuation Allowance – Investments” (GL Code 1280).
	In certain circumstances in governmental funds, this amount should be reflected in “Nonspendable Investments” (GL Code 9123) offset by “the appropriate fund equity GL code. Changes in fair value are reported in GL Code 1280. Premiums are reported in GL Code 1220 and Discounts are reported in GL Code 1230.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1215	Investments under Reverse Repurchase Agreements This GL code is used to record the carrying value of investments underlying reverse repurchase and similar agreements.
1216	Collateral held under Securities Lending Agreements This GL code is used to record the carrying value of the cash and securities received as collateral from the borrower under securities lending agreements where the state has the ability to pledge or sell the collateral. Corresponding liabilities are recorded in GL Code 5197.
1219	Investments in Commingled Trust Funds (SIB Only) This GL code is used to record cash contributions of nonagency type funds to commingled trust funds. At the end of a fiscal year, this GL code is to equal zero.
1220	Unamortized Premiums on Investments This GL code is used to record that portion of the excess of the amount paid for securities over their face value that has not yet been amortized.
1230	Unamortized Discounts on Investments This GL code is used to record that portion of the excess of the face value of securities over the amount paid for them that has not yet been amortized.
1240	Restricted Cash and Investments - Noncurrent This GL code is used to record cash and investments held by escrow agents and trustees that are restricted and will not be used in current operations. Examples include amounts held pursuant to an advance refunding agreement; amounts restricted by debt covenant for the acquisition or construction of noncurrent assets; or amounts held in trust pursuant to a third party agreement that will not be used in current operations.
1271	Commingled Trust Funds Investments (SIB Only) This GL code is used solely in commingled trust funds to record the value of long-term securities and real estate held for the production of income.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1272	Commingled Trust Funds Unamortized Premiums on Investments (SIB Only)
	This GL code is used solely in commingled trust funds to record that portion of the excess of amounts paid for securities over their face value that has not yet been amortized.
1273	Commingled Trust Funds Unamortized Discounts on Investments (SIB Only)
	This GL code is used solely in commingled trust funds to record that portion of the excess of the face value of securities over amounts paid for them that has not yet been amortized.
1278	Commingled Trust Funds Valuation Allowance – Investments (SIB Only)
	This GL code is used solely in commingled trust funds to record fair value changes in investments in workers' compensation and pension trust funds. This GL code is not to be used in funds with investments accounted for on a cost basis.
1280	Valuation Allowance – Investments
	This GL code is used to record fair value changes (increases and decreases) relating to investments.
	1300 - SHORT-TERM RECEIVABLES
	Receivables that are due or expected to be collected within one year.
	1310 and 1320 - SHORT-TERM RECEIVABLES
1311	Taxes Receivable
	The balance of this GL code represents the uncollected portion of taxes receivable, including associated interest and penalty charges.
1312	Accounts Receivable
	The balance of this GL code represents amounts owed on open accounts from private individuals or organizations for goods and services furnished by the state. Although taxes receivable are forms of accounts receivable, they are to be recorded and reported separately in either GL Code 1311 or 1328.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1313	Notes Receivable
	The balance of this GL code represents the uncollected portion of notes receivable. A note is defined as an unconditional written promise, signed by the maker, to pay a certain sum of money on demand or at a fixed or determinable future time either to the bearer or to the order of a person designated therein. Notes receivable may be held by the state as a designated payee or by endorsement.
1314	Loans Receivable
	The balance of this GL code represents the uncollected portion of loans receivable. Loans are defined as amounts which have been loaned to individuals or organizations external to the state, including notes taken as security for such loans.
1315	Commingled Trust Funds Interest Receivable (SIB Only)
	The balance of this GL code represents the amount of interest receivable on commingled trust funds investments.
1316	Interest and Dividends Receivable
	The balance of this GL code represents the amount of interest and dividends receivable on investments.
1317	Other Interest Receivable
	The balance of this GL code represents the amount of interest receivable on state contract and loan programs.
1318	Unbilled Receivables
	The balance of this GL code represents the estimated amount of accounts receivable not yet billed to recipients of government goods and services.
1319	Other Receivables
	The balance of this GL code represents other receivables billed or supported by other evidence of indebtedness.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1320	Donations/Pledges Receivable
	The balance of this GL code represents the amount of private donation pledges due within one year where the eligibility requirements are met and the promise is verifiable, and the resources are measurable and probable of collection.
1323	Investment Trades Pending Receivable
	This GL code is used to record the value of the pending proceeds due at settlement date for investment sales recorded on a trade date basis.
1324	Salaries and Fringe Benefits Receivable
	The balance of this GL code represents receivables due from individuals or organizations for salaries and fringe benefits.
1328	Tax Liens Receivable
	The balance of this GL code represents legal claims against property which have been exercised because of nonpayment of delinquent taxes, interest, and penalties. Amounts accumulated in this GL code include delinquent taxes, interest and penalties receivable thereon, and costs of converting delinquent taxes into tax liens.
	1340 - ALLOWANCE FOR UNCOLLECTIBLE SHORT-TERM RECEIVABLES
	The balances of these allowance accounts are equal to the sum of the amounts estimated to be uncollectible from the current receivable accounts described above. A net receivable balance is reported on the financial statements by deducting the allowance from the receivable balance.
1341	Allowance for Uncollectible Taxes Receivable
	The balance of this GL code represents the portion of taxes receivable that is estimated will never be collected.
1342	Allowance for Uncollectible Accounts Receivable
	The balance of this GL code represents the portion of accounts receivable that is estimated will never be collected.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1343	Allowance for Uncollectible Notes Receivable
	The balance of this GL code represents the portion of notes receivable that is estimated will never be collected.
1344	Allowance for Uncollectible Loans Receivable
	The balance of this GL code represents the portion of loans receivable that is estimated will never be collected.
1346	Allowance for Uncollectible Interest Receivable on Investments
	The balance of this GL code represents the portion of interest receivable on investments which is estimated will never be collected.
1347	Allowance for Uncollectible Other Interest Receivable
	The balance of this GL code represents the portion of interest receivable on assets other than taxes and investments which is estimated will never be collected.
1348	Allowance for Uncollectible Tax Liens Receivable
	The balance of this GL code represents the portion of tax liens receivable that is estimated will never be collected.
1349	Allowance for Uncollectible Other Receivables
	The balance of this GL code represents the portion of other receivables which is estimated will never be collected.
	1350 - SHORT-TERM INTERGOVERNMENTAL AND INTRAGOVERNMENTAL RECEIVABLES
1350	Due from Other Funds – Advances
	The balance of this GL code represents advances due from other funds within an agency. This GL code is to be accompanied by a valid fund code in the general ledger subsidiary. Within an agency, all GL Codes 1350 and 5150 are to equal each other.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1351	Due from Federal Government
	The balance of this GL code represents amounts due from federal agencies.
1352	Due from Other Governments
	The balance of this GL code represents amounts due from counties, municipalities, school districts, other local units of government, Indian tribes, and other states.
1353	Due from Other Funds
	The balance of this GL code represents amounts due from other funds within an agency. This GL code is to be accompanied by a valid fund code in the general ledger subsidiary. Within an agency, all GL Codes 1353 and 5153 are to equal each other.
1354	Due from Other Agencies
	The balance of this GL code represents amounts due from other state agencies. This GL code is to be accompanied by a valid state agency code in the general ledger subsidiary. Statewide, all GL Codes 1354 and 5154 are to be in balance; therefore, every effort should be made to communicate with the other state agencies involved.
1355	Due from Other Funds – Pooled Cash and Investments
	The balance of this GL code represents amounts due from a fund within an agency into which surplus cash balances from other funds have been pooled for the purpose of making investments. Within an agency, all GL Codes 1355 and 5155 are to equal each other.
1359	Due from Component Units
	The balance of this GL code represents amount due from the state's discrete component units, for example the state's financing authorities.
	1380 and 1390 - OTHER SHORT-TERM RECEIVABLES
1381	L & I Premium Estimated Receivables
	The balance of this GL code represents the current portion of the actuarial estimate of premiums due.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1382	L & I Self-Insurance Receivables
	The balance of this GL code represents the current portion of workers compensation amounts due from self-insured employers.
1383	Travel Advances
	The balance of this GL code represents the amount of outstanding travel advances.
	1400 - INVENTORIES
1410	Consumable Inventories
	The balance of this GL code represents the cost (or fair value if donated) of inventories of consumable materials, supplies, and foodstuffs.
1415	Donated Inventories
	The balance of this GL code represents the value of inventoriable federally donated commodities and other donated inventoriable items.
1420	Merchandise Inventories
	The balance of this GL code represents the cost of goods held for resale rather than for use in operations.
1430	Work-in-Process Inventories
	The balance of this GL code represents the value of items of tangible personal property that are in process of production for sale in the ordinary course of business.
1440	Raw Materials Inventories
	The balance of this GL code represents the value of items of tangible personal property that are to be currently consumed either directly or indirectly in the production of goods or services to be available for sale.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1450	Livestock
	The balance of this GL code represents the cost of livestock that are to be consumed either directly or indirectly in the production of goods or services to be available for sale (excludes educational, laboratory and research animals).
	1500 - PREPAID EXPENSES
1510	Prepaid Expenses
	The balance of this GL code represents the amount of disbursements made for benefits not yet received. Prepaid expenses differ from deferred charges in that prepaid expenses are spread over a shorter period of time and are regular recurring costs of operations.
	1600 - LONG-TERM RECEIVABLES
	Long-Term Receivables are those which are not due or expected to be collected within 12 months.
1611	Taxes Receivable
	The balance of this GL code represents the long-term portion of taxes and tax liens receivable, including the associated interest and penalty charges.
1614	Loans Receivable
	The balance of this GL code represents the long-term portion of loans receivable.
	Loans are defined as amounts which have been loaned to individuals or organizations external to the state, including notes taken as security for such loans.
1615	Allowance for Forgivable Loans – Nonprofits
	The balance of this GL code offsets forgivable loans to nonprofit organizations.
1619	Other Receivables
	The balance of this GL code represents long-term other receivables billed or supported by other evidences of indebtedness.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1620	Donations/Pledges Receivable
	The balance of this GL code represents the long-term amount of private donation pledges not due within twelve months where the eligibility requirements are met and the promise is verifiable, and the resources are measurable and probable of collection.
1629	Present Value Allowance (SAC Only)
	This GL code is used to record an offset to GL Code 1619 Other Receivables in accordance with GASB Statement No. 62 to report the actuarial present value of Other Receivables.
	1640 - ALLOWANCE FOR UNCOLLECTIBLE LONG-TERM RECEIVABLES
	The balances of these allowance accounts are equal to the sum of the amounts estimated to be uncollectible from the long-term receivable accounts described above. A net receivable balance is reported on the financial statements by deducting the allowance from the receivable balance.
1641	Allowance for Uncollectible Taxes Receivable
	The balance of this GL code represents the portion of long-term taxes and tax liens receivable that is estimated will never be collected.
1644	Allowance for Uncollectible Loans Receivable
	The balance of this GL code represents the portion of long-term loans receivable that is estimated will never be collected.
1649	Allowance for Uncollectible Other Receivables
	The balance of this GL code represents the portion of long-term other receivables that is estimated will never be collected.
	1650 - LONG-TERM INTERGOVERNMENTAL AND INTRA-GOVERNMENTAL RECEIVABLES
1651	Due from Federal Government
	The balance of this GL code represents long-term amounts due from federal agencies.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1652	Due from Other Governments
	The balance of this GL code represents long-term amounts due from counties, municipalities, school districts, other local units of government, Indian tribes, and other states.
1653	Due from Other Funds
	The balance of this GL code represents long-term amounts due from other funds within an agency. This GL code is to be accompanied by a valid fund code in the general ledger subsidiary. Within an agency, all GL Codes 1653 and 5253 are to equal each other.
1654	Due from Other Agencies
	The balance of this GL code represents long-term amounts due from other state agencies. This GL code is to be accompanied by a valid state agency code in the general ledger subsidiary. Statewide, all GL Codes 1654 and 5254 are to be in balance; therefore, every effort should be made to communicate with the other state agencies involved.
1655	Allowance for Forgivable Loans – Other Governments
	The balance in this GL code offsets the amount of forgivable loans to other governments.
1659	Due from Component Units
	The balance of this GL code represents amounts due from the state's discrete component units, for example the state's financing authorities.
1667	Due from Other Funds - Internal Lending (UW Only)
	The balance of this GL code represents amounts due from the University of Washington (UW) internal lending program for central borrowing to the business unit/department/auxiliary activity. Within the UW, GL Codes 1667, 5167, and 5267 are to equal each other.
	1800 - GENERAL LONG-TERM OBLIGATIONS VALUATION
1810	Amount Available in Debt Service Funds
	The balance of this GL code represents the amount of fund balance available in debt service funds for the retirement of general long-term obligations. The balance is recorded in the General Long-Term Obligations Subsidiary Account.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1820	Amount to be Provided for Retirement of Long-Term Obligations
	The balance of this GL code represents the amount to be provided from taxes or other general revenues to retire outstanding general long-term obligations. The balance is recorded in the General Long-Term Obligations Subsidiary Account.
	1900 - OTHER ASSETS
1910	Unamortized Discounts on Bonds Sold
	The balance of this GL code represents the original issue discount (OID) on the sale of bonds that remains to be amortized over the remaining life of the bonds. This GL code is used when OID is material in proprietary and trust funds as well as for government-wide reporting (which use the economic resources measurement focus and accrual basis of accounting). Governmental funds (which use the modified accrual basis of accounting and current financial resources measurement focus) record OID to GL Code 3210 Revenue Source Code 0862 "Original Issue Discount - Bonds."
1911	Unamortized Discounts on Certificates of Participation
	The balance of this GL code represents the original issue discount (OID) on the sale of certificates of participation (COP) that remains to be amortized over the remaining life of the COP. This GL code is used when OID is material in proprietary and trust funds as well as for government-wide reporting (which use the economic resources measurement focus and accrual basis of accounting). Governmental funds (which use the modified accrual basis of accounting and current financial resources measurement focus) record OID to GL Code 3221 Revenue Source Code 0868 "Original Issue Discount - COPs."
1919	Other Noncurrent Assets
	This GL code is used to record other noncurrent assets such as unamortized bond insurance costs.
1950	Investment in Joint Ventures
	This GL code is used to record explicit, measurable equity interests in joint ventures.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
1960	Restricted Net Pension Asset
	The balance of this GL code represents the state's proportionate share of overfunded defined benefit pension plans.
	1970 - DEFERRED OUTFLOWS OF RESOURCES
	Deferred outflows of resources represent a consumption of net position by the state that is applicable to a future reporting period.
1971	Deferred Outflows on Certificate of Participation (COP) Refundings
	The balance of this GL code represents the remaining difference (debit balance) between the proceeds of the refunding (new) COP and the net carrying value of the refunded (old) COP. The deferred charge is amortized using GL code 6512 in proprietary accounts and GL code 6593 in the General Long-Term Obligations Subsidiary Account with Subobject WB "Amortization."
1972	Deferred Outflows on Bond Refundings
	The balance of this GL code represents the remaining difference (debit balance) between the proceeds of the refunding (new) bonds and the net carrying value of the refunded (old) bonds. The deferred charge is amortized using GL code 6512 in proprietary accounts and GL code 6593 in the General Long-Term Obligations Subsidiary Account with Subobject WB "Amortization."
1973	Deferred Outflows on Hedging Derivatives
	The balance of this GL code represents the decrease in fair value of hedging derivatives where the hedged items are neither assets nor liabilities reported at fair value.
1974	Deferred Outflows on Pensions
	The balance of this GL code represents deferred outflows of resources related to pensions arising from certain changes in the net pension liability. Amounts deferred are amortized through pension expense using subobject BP "Net Pension Liability Adjustment (Proprietary Accounts Only)" or WP "Net Pension Liability Adjustment (General Long-Term Obligations Subsidiary Account Only)."

GL CODE	GENERAL LEDGER CODE DESCRIPTION

2000 - CAPITAL ASSETS

Capital assets are 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.
General Ledger accounts are assigned to the following types of capital assets that meet the state's capitalization policy:

- Non-Depreciable Capital Assets
- Depreciable Capital Assets

2100 - NON-DEPRECIABLE CAPITAL ASSETS

2110 Land

The balance of this GL code represents the original cost, or estimated value at time of donation, of land owned by the state. Land also includes land use rights with indefinite useful lives, such as easements, mineral, timber, and water rights, acquired with the purchase of the underlying land.

2120 Transportation Infrastructure – Modified Approach

The balance of this GL code represents the cost of the state highway system operated by the Department of Transportation. These assets normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets, and include roads, bridges, tunnels, and drainage systems related to roads. Infrastructure included in this category use the modified approach to depreciation. (Depreciable transportation infrastructure and all other infrastructure assets are categorized under "Infrastructure" GL Code 2370).

GL CODE	GENERAL LEDGER CODE DESCRIPTION
2130	Art Collections, Library Reserve Collections, and Museum and Historical Collections The balance of this GL code represents the cost of individual works of art or a group of original art works, documents and books with historical or literary significance, and artifacts. The items in this category have useful lives that are not diminished over time and meet the criteria for a non-capitalizable collection (refer to Subsection 30.20.22.a), but are capitalized at the discretion of the agency.
2140	Intangible Assets with Indefinite Useful Lives The balance of this GL code represents the cost of purchased or constructed intangible assets for which there are no factors that limit the useful life of the asset such as permanent easements or water rights not acquired with a land purchase. Refer to GL Code 2470 "Intangible Assets with Definite Useful Lives" and GL 2110 “Land.”
	2200 - BUILDINGS
2210	Buildings and Building Improvements The balance of this GL code represents the cost of permanent buildings and any capitalized improvements to such buildings. It does not include furniture, fixtures, or other equipment not an integral part of the building, or leasehold improvements that are separately categorized.
2220	Allowance for Depreciation – Buildings The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of buildings. Buildings may be depreciated either as a whole or by individual component.
	2300 - IMPROVEMENTS OTHER THAN BUILDINGS, LEASEHOLD IMPROVEMENTS, AND INFRASTRUCTURE
2310	Improvements other than Buildings The balance of this GL code represents the cost of permanent improvements which add value to land such as fences, retaining walls, etc.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
2320	Allowance for Depreciation - Improvements other than Buildings
	The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of assets capitalized as improvements other than buildings.
2350	Leasehold Improvements
	The balance of this GL code represents the cost of buildings, structural alterations, and improvements added to leased property.
2360	Allowance for Depreciation – Leasehold Improvements
	The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of the leasehold improvements, or the remaining term of the lease, whichever is shorter.
2370	Infrastructure
	The balance of this GL code represents the cost of depreciable long-lived capital assets that normally are stationary in nature and preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, sidewalks, lighting systems, and water and sewer systems. Infrastructure included in this category may not use the modified approach to depreciation. Refer to GL Code 2120 "Transportation Infrastructure – Modified Approach."
2380	Allowance for Depreciation – Infrastructure
	The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of infrastructure.
	2400 - FURNISHINGS, EQUIPMENT, COLLECTIONS, AND INTANGIBLES
2410	Furnishings and Equipment
	The balance of this GL code represents the acquisition cost of furnishings, equipment, and other tangible property not included elsewhere with a useful life of more than one year.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
2420	Allowance for Depreciation – Furnishings and Equipment The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of assets capitalized as furnishings and equipment.
2430	Library Resources The balance of this GL code represents the cost of items that are loaned out, such as books, periodicals, and microfilm, that become unusable or dated and require replacement. These are items whose useful lives are diminished by display, educational or research applications, or use. This does not include certain library reserve collections with historical or literary significance where specific criteria have been met and whose useful lives are not diminished over time. Refer to Subsection 30.20.22.a.
2440	Allowance for Depreciation – Library Resources The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of library resources.
2450	Art Collections, Library Reserve Collections, and Museum and Historical Collections The balance of this GL code represents the cost of individual works of art or a group of items of original art work, documents and books with historical or literary significance, and artifacts whose useful lives diminish over time by display or educational or research applications. This would include items subject to deterioration due to weather. This does not include certain art collections, library reserve collections, or museum and historical collections where specific criteria have been met and whose useful lives are not diminished over time. Refer to Subsection 30.20.22.a.
2460	Allowance for Depreciation – Art Collections, Library Reserve Collections, and Museum and Historical Collections The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of art collections, library reserve collections, and museum and historical collections.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
2470	Intangible Assets with Definite Useful Lives
	The balance of this GL code represents the costs of purchased or internally developed intangible assets for which there are factors that limit the useful life of the asset. Factors that could limit the useful life of an intangible asset include legal, contractual, regulatory, technological, or impairment of use. Examples include software, patents, trademarks and copyrights. Refer to GL Code 2140 "Intangible Assets with Indefinite Useful Lives."
2480	Allowance for Amortization – Intangible Assets
	The balance of this GL code represents accumulated credits made to reflect the expiration of the estimated service life of intangible assets.
	2500 - CONSTRUCTION IN PROGRESS
2510	Construction in Progress
	The balance of this GL code represents the cost of construction work undertaken but not yet substantially completed, accepted, and placed into service.
	3000 - REVENUES AND OTHER FINANCING SOURCES
	3100 - ESTIMATED REVENUES
3110	Approved Estimated Revenues
	The balance of this GL code represents revenues estimated to be received during the biennium. Approved means OFM has reviewed and approved these estimates.
3198	Estimated Revenue – Original
	The balance of this GL code represents original budget revenues estimated to be received during the biennium.

GL CODE	GENERAL LEDGER CODE DESCRIPTION

3200 - ACTUAL REVENUES

3205 Accrued Revenues

This GL code is used to record accrued revenues when the GAAP revenue recognition criteria, pertinent to the fund type, is met. This GL code is to be used with an offsetting entry to the appropriate receivable or liability account.

3210 Cash Revenues

This GL code is used to record all revenue receipts including undeposited receipts received from July 1 to June 30. This GL code may also be used by unique AFRS agencies to record accrued revenues during the year but is to be adjusted at year-end to reflect **only** revenues actually received.

3213 Gains and Losses on Sales of Capital Assets

This GL code is used to record differences between the net book value of capital assets and the actual compensation received in disposing of the assets. Revenue source code 0418 "Gains and Losses on Sales of Capital Assets" is to be used with this GL code. (Used only in enterprise, internal service, and pension trust funds.)

3215 Immaterial Adjustments to Prior Periods

This GL code is used to record adjustments to beginning fund equity accounts that are less than the materiality criteria for the particular "GAAP Roll-Up Fund." The GL code is also used to record the liquidation of over-estimated accrued expenditures. Revenue source code 0485 "Immaterial Prior Period Adjustments," or revenue source code 0486 "Recoveries of Prior Expenditure Authority Expenditures," is to be used with this GL code, respectively.

3220 Noncash Revenues

This GL code is used to record all noncash revenues (e.g., amortization of premiums and/or discounts on investments; changes in the fair value of investments). This code is not to be used for revenue that will be received in cash in a future period.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
3221	Other Financing Sources
	This GL code is used to record all other financing sources, such as acquisitions of capital assets through lease-purchase agreements or certificates of participation (COPs). Generally, an offsetting entry to GL Code 6514 is to be made. This code is used only in governmental funds. In most cases, GL Code 3221 should equal GL Code 6514.
3225	Revenue Adjustments/Eliminations (GAAP)
	This GL code is used in allotted funds when a difference occurs in GAAP and budgetary recording of an accounting event. For example, when recording the sale of a capital asset in an allotted enterprise fund, it is necessary to debit cash and accumulated depreciation and credit the capital asset, then debit or credit, as appropriate, GL Code 3213. For budgetary reporting, it is also necessary to debit this GL code and credit GL Code 3210 for the cash received.
3260	Estimated Accrued Revenues
	This GL code is used at the end of the biennium to record accrued revenues when GAAP revenue criteria pertaining to the fund type is met but the exact amount is not known.
	4300 - CASH IN CUSTODY OF STATE TREASURER
4310	Current Treasury Cash Activity (OST Only)
	This GL code is used to record all treasury cash activity within a biennium that has been recorded by the State Treasurer. The in-process control accounts (GL Code series 7XXX) are to be used for cash activity that has occurred as of June 30, but has not been recorded by the State Treasurer.
4315	Warrants Outstanding (OST Only)
	This GL code is used to record warrants issued by agencies that have not been redeemed by the State Treasurer, canceled by the agency, or canceled by the Statute of Limitations.
4320	Beginning Treasury Cash Balance Administrating Agency (OFM Only)
	This is a system generated GL code that represents the prior biennium's June 30 ending treasury cash balance for a fund as presented in the state's *Comprehensive Annual Financial Report*.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
4325	Beginning Treasury Cash Balance - Agency

This is a system-generated GL code that represents the portion of the prior biennium's June 30 ending treasury cash balance for an account that pertains to a particular reporting state agency. The balance of this GL code is included in GL Code 4320, "Beginning Treasury Cash Balance," on the administering agency's general ledger. A system generated offsetting credit to GL Code 4325 is also provided on the administering agency's general ledger to avoid overstating beginning cash in the fund. Therefore, at the fund level all amounts in GL Code 4325 are to net out to a zero balance. All corrections to GL Code 4325 are to be made by the fund's administering agency to adjust the cash balances of both the administering **and/or** other agencies. GL Code 4325 does not apply to local cash in agency funds outside the State Treasury.

5000 - LIABILITIES

5100 - SHORT-TERM LIABILITIES

Short-term liabilities generally are those that are expected to be paid within twelve months.

5110 - SHORT-TERM PAYABLES

5111 Accounts Payable

The balance of this GL code represents the amounts owing on open accounts for goods and services received by June 30.

5112 Interest Payable

The balance of this GL code represents the amount of interest owed on accounts and contracts payable.

5113 Claims and Judgments Payable

The balance of this GL code represents actual or estimated amounts owed as the result of court decisions or administrative actions.

5114 Annuities Payable (LOT Only)

The balance of this GL code represents the short-term portion of lottery prize annuities payable.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5115	Contracts Payable
	The balance of this GL code represents the amount of obligations for contracts outstanding and payable.
5116	Retained Percentages Payable
	The balance of this GL code represents the percentage of the total contract price that is not paid pending final inspection or the lapse of a specified time period.
5117	Construction Contracts Payable
	The balance of this GL code represents amounts due on contracts for the construction of buildings and other improvements.
5118	Benefits Claims Payable (L&I Only)
	The balance of this GL code represents the current portion of the actuarial present value of the workers' compensation liability to pay future industrial insurance claims and similar benefits to qualifying individuals sustaining work-related injuries.
5119	Employee Insurance Benefits Payable
	The balance of this GL code represents the actuarial value of employee insurance claims payable by the Health Care Authority.
	5120, 5130, and 5140 - SHORT-TERM ACCRUED LIABILITIES
5121	Matured Bonds Payable
	The balance of this GL code represents amounts of unpaid bonds that have reached or passed maturity date.
5122	Matured Interest Payable
	The balance of this GL code represents amounts of payable but unpaid interest on bonds.
5123	Investment Trades Pending Payable
	This GL code is used to record the amount due for investment acquisitions between trade date and settlement date.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5124	Accrued Salaries and Fringe Benefits Payable The balance of this GL code represents salaries and fringe benefits earned but not paid.
5125	Accrued Vacation Leave Payable The balance of this GL code represents salaries and associated payroll related payments for the amount of vacation leave owed but not paid.
5126	Accrued Prizes Payable (LOT Only) The balance of this GL code represents amounts of potential lottery prizes payable for all outstanding tickets distributed.
5127	Accrued Sick Leave Payable The balance of this GL code represents salaries and associated payroll related payments for the estimated amount of accumulated sick leave that is probable the state will cash out.
5128	Accrued Compensatory Time Payable The balance of this GL code represents salaries and associated payroll related payments for the amount of compensatory time owed but not paid.
5130	Due to Fiscal Agents The balance of this GL code represents amounts due to fiscal agents.
5140	Due to Terminated Employees The balance of this GL code represents amounts due to members of a public employee's retirement system who have resigned, or who have been terminated for reasons other than death, prior to retirement.
5145	Due to Deceased Employees' Estates The balance of this GL code represents amounts due to estates of deceased employees.
5148	L & I Retrospective Program Estimated Premium Refund Payables The balance of this GL code represents the current portion of the actuarial estimate of premiums due back to employers participating in the program.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5149	L & I Claims Administration Expense Payable
	The balance of this GL code represents the current portion of the actuarial estimate of the workers' compensation liability to pay future administration expenses for operating the workers' compensation plan.
	5150 - SHORT-TERM INTERGOVERNMENTAL AND INTRAGOVERNMENTAL PAYABLES
5150	Due to Other Funds – Advances
	The balance of this GL code represents advances due to other funds within an agency. This GL code is to be accompanied by a valid fund code in the general ledger subsidiary. Within an agency, all GL Codes 1350 and 5150 are to equal each other.
5151	Due to Federal Government
	The balance of this GL code represents obligations due to federal agencies.
5152	Due to Other Governments
	The balance of this GL code represents obligations due to counties, municipalities, school districts, other local units of governments, Indian tribes, and other states.
5153	Due to Other Funds
	The balance of this GL code represents amounts due to other funds within an agency. This GL code is to be accompanied by a valid fund code in the general ledger subsidiary. Within an agency, all GL Codes 1353 and 5153 are to equal each other.
5154	Due to Other Agencies
	The balance of this GL code represents amounts due to other state agencies. This GL code is to be accompanied by a valid state agency code in the general ledger subsidiary. Statewide, all GL Codes 1354 and 5154 are to be in balance; therefore, every effort should be made to communicate with the other state agencies involved.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5155	Due to Other Funds - Pooled Cash and Investments
	The balance of this GL code represents amounts due to other funds within an agency that pooled their surplus cash balances into a single fund for the purpose of making investments. Within an agency, all GL Codes 1355 and 5155 are to equal each other.
5156	Due to Owner Funds - Local Government Investment Pool (OST Only)
	The balance of this GL code represents amounts on deposit with the Local Government Investment Pool that are due to owner funds. Statewide all GL Codes 1206 and 5156 are to be in balance.
5157	Due to Owner Funds - Commingled Trust Funds Investment Income (SIB Only)
	The balance of this GL code represents cash and noncash investment income recorded in commingled trust funds that are due to owner funds.
5158	Due to Department of Revenue - Taxes
	The balance of this GL code represents taxes collected but **not** reported to the Department of Revenue. This GL code is to be used in lieu of GL Code 5154 and is **not** to be accompanied by an entry in the general ledger subsidiary.
5159	Due to Primary Government
	The balance of this GL code represents amounts due from the state's discrete component units to the primary government of the state.
	5160 - SHORT-TERM BONDS PAYABLE
5161	General Obligation Bonds Payable
	The balance of this GL code represents the principal portion of bonds maturing within one year that are secured by an unconditional pledge of the full faith and credit and taxing power of the state.
5162	Revenue Bonds Payable
	The balance of this GL code represents the principal portion of bonds maturing within one year that are secured by specific sources of revenue and do not involve a pledge of the full faith and credit of the state.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5163	Limited Obligation Bonds Payable
	The balance of this GL code represents the principal portion of bonds maturing within one year and payable from dedicated revenues.
5164	Zero-Coupon Bonds Payable
	The balance of this GL code represents the issue value maturing within one year.
5165	Accreted Interest Payable - Zero-Coupon Bonds
	The balance of this GL code represents the accreted interest on zero-coupon bonds maturing within one year.
5167	General Revenue Bonds Payable - Internal Lending (UW Only)
	The balance of this GL code represents the outstanding principal on bonds maturing with one year that are payable from University of Washington (UW) general revenues. These amounts are due to the internal lending program for central borrowing from the business unit/department/auxiliary activity. Within the UW, GL Codes 1667, 5167, and 5267 are to equal each other.
5169	Other Bonds Payable
	The balance of this GL code represents the principal portion of bonds maturing within one year and not classifiable under any of the other bond payable general ledger accounts.
	5170 - SHORT-TERM INSTALLMENTS AND LEASES PAYABLE
5171	Installment-Purchase Contracts Payable
	The balance of this GL code represents the current portions of the present value of total future stipulated payments on installment-purchase contracts.
5172	Lease-Purchase Agreements Payable
	The balance of this GL code represents the current portions of the present value of total future stipulated payments on lease-purchase agreements.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5173	Certificates of Participation/Notes Payable
	The balance of this GL code represents the portion of the certificates of participation payable issued through the Office of State Treasurer for qualifying asset purchases under 39.94 RCW that are maturing within one year.
	5180 and 5190 - OTHER SHORT-TERM LIABILITIES
5181	Employee Insurance Deductions Payable
	The balance in this GL code represents amounts held for purchase of employee medical insurance. The money is derived from employee payroll deductions.
5182	EBT Authorized Benefits Payable
	The balance in this GL code represents EBT benefits that have been authorized but have not yet been paid.
5183	Liability for Expunged EBT Benefits
	The balance in this GL code represents liabilities arising from the expungement of EBT benefits.
5184	Tuition Benefits Payable
	The balance in this GL code represents the short-term portion of amounts held for the purchase of tuition units under the advanced college tuition payment program.
5187	Industrial Insurance and Medical Aid Deductions Payable
	The balance in this GL code represents amounts deducted from employees' pay for medical aid, and the employer share of the medical aid and industrial insurance.
5188	Savings Bond Deductions Payable
	The balance in this GL code represents amounts held for future purchases of U.S. Government Savings Bonds. The moneys are derived from miscellaneous deductions from employees' pay.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5189	Garnishment Deductions Payable
	The balance in this GL code represents amounts deducted from employees' pay for garnishments and levies and held for subsequent distribution as ordered by the courts
5190	Unearned Revenues
	The balance of this GL code represents amounts for which the asset recognition criteria have been met, but for which the earnings process is not complete.
5191	Deposits Payable
	The balance of this GL code represents amounts payable for deposits made by customers or contractors.
5193	Liability for Unclaimed Property Refunds
	The balance of this GL code represents the short-term portion of unclaimed property held by the state that is expected to be refunded to claimants.
5194	Liability for Canceled Warrants/Checks
	This GL code is used to record liabilities arising from the cancellation of warrants or checks.
5195	Deferred Expenditure Recoveries
	The balance of this GL code represents amounts for which the asset recognition criteria have been met, but for which the recognition criteria for the expenditure recoveries have not been met.
5196	Obligations under Reverse Repurchase Agreements
	This GL code is used to record liabilities arising from reverse repurchase and similar agreements.
5197	Obligations under Securities Lending Agreements
	This GL code is used to record the liabilities arising from securities lending agreements that require the recording of collateral cash and securities as assets.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5198	Loans Payable
	This GL code is used to reflect the balances of any other outstanding short-term loans payable authorized by statute to meet current obligations.
5199	Other Liabilities
	The balance of this GL code represents other current liabilities.
	5200 - LONG-TERM OBLIGATIONS
	Long-Term Obligations generally are those that are not expected to be paid within the next twelve months. Long-term obligations resulting from activities in proprietary and fiduciary funds are accounted for in the funds themselves. Long-term obligations in governmental funds, that are not intended to be paid from expendable available financial resources, are generally accounted for in the General Long-Term Obligations Subsidiary Account.
	5210, 5220, and 5240 - LONG-TERM PAYABLES
5212	Zero-Coupon Bonds – Accreted Interest Payable
	The balance of this GL code represents the amount of interest accreted but not due within the next year on zero-coupon bonds payable.
5213	Claims and Judgments Payable
	The balance of this GL code represents the long-term actual or estimated amounts owed as the result of court decisions or administrative actions.
5216	Retained Percentages Payable
	The balance of this GL code represents the long-term percentage of the total contract price that is not paid pending final inspection or the lapse of a specified time period.
5225	Accrued Vacation Leave Payable
	The balance of this GL code represents the noncurrent portion of salaries and associated payroll payments for the amount of vacation leave owed but not paid.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5226	Annuities Payable (LOT Only)
	The balance of this GL code represents the long-term portion of lottery prize annuities payable.
5227	Accrued Sick Leave Payable
	The balance of this GL code represents the noncurrent portion of salaries and associated payroll related payments for the estimated amount of accumulated sick leave that is probable the state will cash out.
5228	Accrued Compensatory Time Payable
	The balance of this GL code represents the noncurrent portion of salaries and associated payroll payments for the amount of compensatory time owed but not paid.
5247	Liability for Deferred Compensation
	The balance of this GL code represents the long-term amounts payable for employee deferred compensation.
	5250 - LONG-TERM INTERGOVERNMENTAL AND INTRA-GOVERNMENTAL PAYABLES
5251	Due to Federal Government
	The balance of this GL code represents long-term obligations due to federal agencies.
5252	Due to Other Governments
	The balance of this GL code represents long-term obligations due to counties, municipalities, school districts, other local units of government, Indian tribes and other states.
5253	Due to Other Funds
	The balance of this GL code represents long-term amounts due to other funds within an agency. This GL code is to be accompanied by a valid fund code in the general ledger subsidiary. Within an agency, all GL Codes 1653 and 5253 are to equal each other.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5254	Due to Other Agencies
	The balance of this GL code represents long-term amounts due to other state agencies. This GL code is to be accompanied by a valid state agency code in the general ledger subsidiary. Statewide, all GL Codes 1654 and 5254 are to be in balance; therefore, every effort should be made to communicate with the other state agencies involved.
5259	Due to Primary Government
	The balance in this GL code represents the long-term portion of the amounts due from the state's discrete component units to the primary government of the state.
	5260 - LONG-TERM BONDS PAYABLE
5261	General Obligation Bonds Payable
	The balance of this GL code represents the outstanding principal due on bonds maturing beyond one year that are secured by an unconditional pledge of the full faith and credit and taxing power of the state.
5262	Revenue Bonds Payable
	The balance of this GL code represents the outstanding principal due on bonds maturing beyond one year that are secured by specific sources of revenue and do not involve a pledge of the full faith and credit of the state.
5263	Limited Obligation Bonds Payable
	The balance of this GL code represents the outstanding principal on bonds due beyond one year that are payable from dedicated revenues.
5264	Zero-Coupon Bonds Payable
	The balance of this GL code represents the issue value of bonds issued with a deep bond discount and due beyond one year.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5267	General Revenue Bonds Payable - Internal Lending (UW Only)
	The balance of this GL code represents the outstanding principal on bonds due beyond one year that are payable from University of Washington (UW) general revenues. These amounts are due to the internal lending program for central borrowing from the business unit/department/auxiliary activity. Within the UW, GL Codes 1667, 5167, and 5267 are to equal each other.
5269	Other Bonds Payable
	The balance of this GL code represents the outstanding principal of bonds not classified under any of the other bond payable general ledger accounts due beyond one year.
	5270 - LONG-TERM INSTALLMENTS AND LEASES PAYABLE
5271	Installment-Purchase Contracts Payable
	The balance of this GL code represents the long-term portions of the present value of total future stipulated payments on installment-purchase contracts.
5272	Lease-Purchase Agreements Payable
	The balance of this GL code represents the long-term portions of the present value of total future stipulated payments on lease-purchase agreements.
5273	Certificates of Participation/Notes Payable
	The balance of this GL code represents the long-term portions of the certificates of participation payable issued through the Office of the State Treasurer for qualifying asset purchases under chapter 39.94 RCW.
	5280 and 5290 - OTHER LONG-TERM OBLIGATIONS
5281	Net Pension Liability
	The balance of this GL code represents the state's proportionate share of the liability to retirees, beneficiaries, terminated employees and current covered employees entitled to benefits provided through defined benefit pension plans.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5282	Other Postemployment Benefits Obligation The balance of this GL code represents the difference (since the effective date of GASB Statement No. 45) between the annual actuarially determined OPEB cost and the state's contribution to the plan.
5284	Tuition Benefits Payable The balance in this GL code represents the long-term portion of amounts held for the purchase of tuition units under the advanced college tuition payment program.
5285	Benefits Claims Payable (L&I Only) The balance of this GL code represents the long-term portion of the actuarial present value of the workers' compensation liability to pay future medical aid claims, industrial insurance claims, and similar benefits to qualifying individuals sustaining work-related injuries.
5286	Claims Administration Expense Payable (L&I Only) The balance of this GL code represents the long-term portion of the actuarial estimate of the workers' compensation liability to pay future administration expenses for operating the workers' compensation plan.
5287	Pollution Remediation Obligation The balance of this GL code represents the state's liability for remediation activities to address the current or potential detrimental effects of existing pollution.
5290	Unearned Revenues The balance of this account represents the long-term portion of amounts for which the asset recognition criteria have been met, but for which the earnings process is not complete.
5291	Deposits Payable The balance of this GL code represents long-term amounts payable for deposits made by customers or contractors.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5293	Liability for Unclaimed Property Refunds
	The balance of this GL code represents the long-term portion of unclaimed property held by the state that is expected to be refunded to claimants.
5297	Fees Payable
	The balance of this GL code represents the long-term portion of fees payable by the state in transactions involving bond and COP sales.
5298	Other Obligations - Capital Related
	The balance of this GL code represents other long-term obligations (other than bonds, leases, and COPs) that are related to the acquisition of capital assets (purchased or constructed).
5299	Other Obligations
	The balance of this GL code represents long-term portions of other long-term obligations that are not related to the acquisition of capital assets.
	5900 - OTHER CREDITS
5910	Unamortized Premiums on Bonds Sold
	The balance of this GL code represents the original issue premium (OIP) on the sale of a bond that remains to be amortized over the remaining life of the bonds. This GL code is used when the OIP is material in proprietary and trust funds as well as for government-wide reporting (which use the economic resources measurement focus and accrual basis of accounting). Governmental funds (which use the modified accrual, current financial resources basis of accounting) record OIP to GL Code 3210 Revenue Source Code 0863 "Original Issue Premium - Bonds."
5920	Unamortized Premiums on COPs Sold
	The balance of this GL code represents the original issue premium (OIP) on the sale of a COP that remains to be amortized over the remaining life of the COP. This GL code is used when the OIP is material in proprietary and trust funds as well as for government-wide reporting (which use the economic resources measurement focus and accrual basis of accounting). Governmental funds (which use the modified accrual, current financial resources basis of accounting) record OIP to GL Code 3221 Revenue Source Code 0869 "Original Issue Premium - COPs."

GL CODE	GENERAL LEDGER CODE DESCRIPTION

5192, 5266, 5268, 5283, and 5292 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent acquisition of net position by the state that is applicable to a future reporting period.

5192 Unavailable Revenues

The balance of this GL code represents the short-term portion of amounts for which the asset recognition criteria have been met, but for which the availability criteria have not been met. The use of this GL code is restricted to governmental fund-type accounts.

5265 Deferred Inflows on Pensions

The balance of this GL code represents deferred inflows of resources related to pensions arising from certain changes in the net pension liability. Amounts deferred are amortized through pension expense using subobject BP "Net Pension Liability Adjustment (Proprietary Accounts Only)" or WP "Net Pension Liability Adjustment (General Long-Term Obligations Subsidiary Account Only)."

5266 Deferred Inflows on Certificate of Participation (COP) Refundings

The balance of this GL code represents the remaining difference (credit balance) between the proceeds of the refunding (new) COP and net carrying value of the refunded (old) COP. The deferred charge is amortized using GL code 6512 in proprietary accounts and GL code 6593 in the General Long-Term Obligations Subsidiary Account with Subobject WB "Amortization."

5268 Deferred Inflows on Bond Refundings

The balance of this GL code represents the remaining difference (credit balance) between the proceeds of the refunding (new) bonds and the net carrying value of the refunded (old) bonds. The deferred charge is amortized using GL code 6512 in proprietary accounts and GL code 6593 in the General Long-Term Obligations Subsidiary Account with Subobject WB "Amortization."

5283 Deferred Inflows on Hedging Derivatives

The balance of this GL code represents the increase in fair value of hedging derivatives where the hedged items are neither assets nor liabilities reported at fair value.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
5292	Unavailable Revenues
	The balance of this GL code represents the long-term portion of amounts for which the asset recognition criteria have been met, but for which availability criteria have not been met. The use of this GL code is restricted to governmental fund-type accounts.
	6000 - BUDGETARY AND EXPENDITURE/EXPENSE CONTROL
	6100 - EXPENDITURE AUTHORITY AND ESTIMATED EXPENDITURES
6110	Approved Unallotted Expenditure Authority
	The balance of this GL code represents the unallotted portion of legislative appropriations or the estimate of nonappropriated expenditures/expenses not intended to be spent during the fiscal period.
	6200 - ALLOTMENTS
6210	Approved Allotments
	The balance of this GL code represents authorized allotments of appropriated funds for the biennium.
6215	Estimated Unallotted Expenses
	The balance of this GL code represents estimated nonbudgeted expenses that are not included in the agency allotment plan. (Used only in enterprise and internal service funds.)
	6300 - RESERVES
6310	Approved Reserves
	The balance of this GL code represents amounts transferred from allotted status to reserve status for legislative appropriations.
	6400 - OTHER ALLOTMENT CHARGES

GL CODE	GENERAL LEDGER CODE DESCRIPTION
6410	Encumbrances
	This GL code is used to record encumbrance activity from July 1 to June 30 each year. GL Code 9510, "Reserved for Encumbrances" is the offsetting entry to this GL code. At the end of a biennium, this GL code is to equal zero.
	6500 - EXPENDITURES/EXPENSES
6505	Accrued Expenditures/Expenses
	This GL code is used to record expenditures/expenses for goods and/or services that meet GAAP recognition criteria of the fund type, but remain unpaid.
6510	Cash Expenditures/Expenses
	This GL code is used to record all expenditures/expenses paid from July 1 to June 30. Accrued expenditures/expenses may also be recorded by unique AFRS agencies in this general ledger account.
6511	Depreciation/Amortization Expense
	This GL code is used to record the amount of depreciation and amortization computed on capital assets owned by proprietary and trust fund type accounts. This GL code is to be offset by an entry to the appropriate GL Code series 2XXX, "Allowance for Depreciation" or "Allowance for Amortization – Intangible Assets." Only used with Subobject WA "Depreciation/Amortization."
6512	Amortization Expense
	This GL code is used to recognize amortization of premiums and discounts on debt instruments as well as deferred outflows and inflows on debt refunding recorded in proprietary and trust funds. Only used with Subobject WB "Amortization."
6514	Capital Asset Acquisitions by Lease - Purchase Agreements or Certificates of Participation
	This GL code is used to record acquisitions of capital assets through lease-purchase agreements or certificates of participation (COPs). GL 6514 should be used only in governmental funds. In most cases, GL Code 6514 should equal GL Code 3221.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
6515	Bad Debts Expense This GL code is used to record the expense recognized in the process of valuing accounts receivable that had revenue as the offsetting entry. It indicates the portion of receivables that is estimated never to be collected. (Used only in proprietary and trust funds.) Only used with Subobject WC "Bad Debts."
6516	Cost of Goods Sold This GL code is used to record the inventory cost incurred upon sale of purchased or produced merchandise held for resale. (Used only with sub-objects FA through FJ.)
6525	Expense Adjustments/Eliminations (GAAP) This GL code is used in allotted funds when a difference occurs in GAAP and budgetary recording of an accounting event. For example, when purchasing a capital asset in an allotted enterprise fund, it is necessary to debit the appropriate capital asset account and credit cash or accounts payable. For budgetary accounting, it is also necessary to debit GL Code 6505 or 6510 and credit this GL code.
6560	Estimated Accrued Expenditures/Expenses This GL code is used at the end of an expenditure authority period to record estimated expenditures/expenses for goods and/or services received by June 30 for which the exact amount is not known.
6591	Depreciation/Amortization Expense (General Capital Assets Subsidiary Account Only) This GL code is used to record depreciation and amortization computed on capital assets owned by governmental fund type accounts in the General Capital Assets Subsidiary Account. GL Code 6591 is to be offset by an entry to the appropriate GL Code series 2XXX, "Allowance for Depreciation" or "Allowance for Amortization – Intangible Assets." Only used with Subobject WA "Depreciation/Amortization."
6592	Interest Expense (General Long-Term Obligations Subsidiary Account Only) This GL code is used to recognize accrued interest expense on bonds recorded in the General Long-Term Obligations Subsidiary Account. Only used with Subobject PB "Interest."

GL CODE	GENERAL LEDGER CODE DESCRIPTION
6593	Amortization Expense (General Long-Term Obligations Subsidiary Account Only) This GL code is used to recognize amortization of premiums and discounts on debt or equity instruments as well as deferred outflows and inflows on debt refundings recorded in the General Long-Term Obligations Subsidiary Account. Only used with Subobject WB "Amortization."
6594	Pollution Remediation Expense (General Long-Term Obligations Subsidiary Account Only) This GL code is used to recognize pollution remediation expenses related to governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. GL Code 6594 is to be offset by an entry to GL Code 5287 "Pollution Remediation Obligation." Only used with Subobject WE "Pollution Remediation (General Long-Term Obligations Subsidiary Account Only)."
6595	Other Postemployment Benefits Expense (General Long-Term Obligations Subsidiary Account Only) This GL code is used to recognize expense for postemployment benefits for employees of governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. GL Code 6595 is to be offset with an entry to GL Code 5282 "Other Postemployment Benefits Obligation." Only used with Subobject WR "Other Postemployment Benefits (General Long-Term Obligations Subsidiary Account Only)."
6596	Excess Contributions for Pension Benefits (General Long-Term Obligations Subsidiary Account Only) This GL code is used to record the current year adjustment to the cumulative total of the state's contributions for pension benefits in excess of the annual required contributions (ARC) in the General Long-Term Obligations Subsidiary Account. GL Code 6596 is to be offset with an entry to GL Code 1960 "Net Pension Asset ." Only used with Subobject WP "Net Pension Liability Adjustment (General Long-Term Obligations Subsidiary Account Only)."

GL CODE	GENERAL LEDGER CODE DESCRIPTION
6597	Capital Asset Adjustment (General Capital Assets Subsidiary Account Only) This GL code is used to record the difference between the cost of a capital asset and its accumulated depreciation when the asset is disposed of or written off. To be used in the General Capital Assets Subsidiary Account only with Subobject WF "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)."
6598	Pension Expense (General Long-Term Obligations Subsidiary Account Only) This GL code is used to record the current year adjustment to the state's net pension liability in the General Long-Term Obligations Subsidiary Account. GL Code 6598 is to be offset with an entry to GL Code 5281 "Net Pension Liability." Only used with Subobject WP "Net Pension Liability Adjustment (General Long-Term Obligations Subsidiary Account Only)."
	7000 - AFRS/TREASURY CLEARING
	7100 - IN-PROCESS CONTROL
7110	Receipts In-Process This GL code is used for all treasury funds to record all cash received and recorded by an agency, but not yet posted by the State Treasurer.
7120	Warrants In-Process/ACH (Automated Clearing House) Payments In-Process This GL code is used for all treasury funds to record the amount of all warrants prepared and recorded by an agency, but not yet signed and returned to the agency by the State Treasurer. This GL code is also used to record ACH payments.
7130	Warrant Cancellations In-Process This GL code is used for all treasury funds to record the amount of all warrant cancellations recorded by an agency, but not yet posted by the State Treasurer.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
7140	Journal Vouchers In-Process
	This GL code is used for all treasury funds to record the amount of all interfund or interagency Journal Vouchers for cash transfers which have been recorded by or on behalf of an agency, but not yet posted by the State Treasurer, or posted by the State Treasurer but not yet posted by the agency. This GL code is also used to record IAPs (Inter-Agency Payments) and IFTs (Interfund Transactions) which are automated transactions.
	9000 - FUND BALANCE AND NET POSITION
	9100 - BUDGETARY CONTROL
9100	Budgetary Control Summary
	The balance of this GL code represents offsetting differences for budgetary account entries. This GL code is the contra-account for GL Code 3100 series, "Estimated Revenues," GL Code 6100 series "Expenditure Authority and Estimated Expenditures," GL Code 6200 “Allotments,” and GL Code 6300 "Reserves."
	9110, 9120, and 9130 - NONSPENDABLE FUND BALANCE
9110	Nonspendable Permanent Fund Principal
	The balance of this GL code represents that portion of fund balance in permanent funds that is legally required to be maintained intact.
9112	Nonspendable Permanent Funds – Unrealized Gain/Loss
	The balance of this GL code represents temporary increases and decreases in the value of the corpus of a permanent fund due to market fluctuations.
9120	Nonspendable Consumable Inventories
	The balance of this GL code represents the portion of fund balance that cannot be spent because consumable inventories do not represent available spendable resources even though they are a component of fund balance. This GL code is the contra account for GL Code 1410, "Consumable Inventories."

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9130	Nonspendable Student Loans Receivable
	The balance of this GL code represents the portion of fund balance that cannot be spent because student loans receivable do not represent available spendable resources even though they are a component of net current assets.
9131	Nonspendable Receivables – Long-Term
	The balance of this GL code represents the portion of fund balance that cannot be spent because net receivables long-term (GL Codes 1611, 1614, 1619, 1641, 1644, 1649, 1651, 1652, 1653, 1654, and 1657) do not represent available spendable resources even though they are a component of net current assets.
	9200 - RESTRICTED FUND BALANCE
9230	Restricted for Higher Education
	The balance of this GL code represents that portion of fund balance that is restricted for expenditure for higher education purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).
9231	Restricted for Permanent Funds – Realized Investment Losses
	The balance in this GL code represents the unamortized portion of realized investment losses that resulted in or would have resulted in a negative net change in fund balance exclusive of unrealized gains and losses. These realized investment losses are tracked separately and amortized against future beneficiary distributions.
9232	Restricted for Education
	The balance of this GL code represents that portion of fund balance that is restricted for expenditure for K-12 education purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9234	Restricted for Transportation The balance of this GL code represents that portion of fund balance that is restricted for expenditure for transportation purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).
9235	Restricted for Bond Covenants The balance of this GL code represents that portion of fund balance that is restricted by bond covenants.
9238	Restricted for Other Purposes The balance of this GL code represents that portion of fund balance that is restricted for expenditure for other purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).
9240	Restricted for Human Services The balance of this GL code represents that portion of fund balance that is restricted for expenditure for human services purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).
9242	Restricted for Wildlife and Natural Resources The balance of this GL code represents that portion of fund balance that is restricted for expenditure for wildlife and natural resources purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).
9244	Restricted for Local Grants and Loans The balance of this GL code represents that portion of fund balance that is restricted for expenditure for local grant and loan purposes by enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9246	Restricted for School Construction The balance of this GL code represents that portion of fund balance that is restricted for expenditure for school construction purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).
9248	Restricted for State Facilities The balance of this GL code represents that portion of fund balance that is restricted for expenditure for state facility purposes by the State Constitution, enabling legislation or parties external to the State (such as creditors, grantors, contributors, and other governments).
9250	Restricted for Budget Stabilization The balance of this GL code represents that portion of fund balance that is restricted for budget stabilization by the Article Vll, section 12 of the State Constitution.
9252	Restricted for Debt Service The balance of this GL code represents that portion of fund balance that is restricted for expenditure for debt service purposes by the parties external to the State (such as creditors).
9255	Restricted for Cash and Investments with Escrow Agents and Trustees The balance of this GL code represents that portion of fund balance that is restricted by escrow or trust agreements.
9260	Restricted for Pollution Remediation Liabilities The balance of this GL code represents that portion of fund balance that is restricted for expenditure for pollution remediation purposes by enabling legislation, court orders, legal settlements or parties external to the State (such as grantors, contributors, and other governments).
9270	Restricted for Unspent Bond Proceeds The balance of this GL code represents that portion of fund balance that is restricted for unspent bond proceeds by bond covenants.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9271	Restricted for Operations and Maintenance Reserve The balance of this GL code represents that portion of fund balance that is restricted for operations and maintenance expenditures by bond covenants.
9272	Restricted for Repair and Replacement Reserve The balance of this GL code represents that portion of fund balance that is restricted for repair and replacement expenditures by bond covenants.
9273	Restricted for Revenue Stabilization The balance of this GL code represents that portion of fund balance that is restricted for revenue stabilization by bond covenants.
9274	Restricted for Unspent GARVEE Bond Proceeds The balance of this GL code represents that portion of fund balance that is restricted for unspent GARVEE bond proceeds.
9275	Restricted for Deferred Sales Tax The balance of this GL code represents that portion of fund balance that is restricted for deferred sales tax by debt service agreements.
9283	Restricted for Third Tier Debt Service The balance of this GL code represents that portion of fund balance that is restricted by third tier debt service agreements.
9284	Restricted for Fourth Tier Debt Service The balance of this GL code represents that portion of fund balance that is restricted by fourth tier debt service agreements.
9285	Restricted for GARVEE Bond Debt Service The balance of this GL code represents that portion of fund balance that is restricted by GARVEE bond debt service agreements.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
	9310, 9320, 9330, and 9340 - COMMITTED FUND BALANCE
9310	Committed for Higher Education
	The balance of this GL code represents fund balance committed to higher education where resources are used only for the specific purposes determined by formal action of the state legislature.
9311	Committed for Education
	The balance of this GL code represents fund balance committed to K-12 education where resources are used only for the specific purposes determined by formal action of the state legislature.
9320	Committed for Transportation
	The balance of this GL code represents fund balance committed to transportation where resources are used only for the specific purposes determined by formal action of the state legislature.
9321	Committed for Other Purposes
	The balance of this GL code represents fund balances committed to other purposes where resources are used only for the specific purpose(s) determined by formal action of the state legislature.
9323	Committed for Human Services
	The balance of this GL code represents fund balance committed to human services where resources are used only for the specific purposes determined by formal action of the state legislature.
9324	Committed for Wildlife and Natural Resources
	The balance of this GL code represents fund balance committed to wildlife and natural resources where resources are used only for the specific purposes determined by formal action of the state legislature.
9325	Committed for Local Grants and Loans
	The balance of this GL code represents fund balances committed to local grants and loans where resources are used only for the specific purposes determined by formal action of state legislature.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9330	Committed for State Facilities
	The balance of this GL code represents fund balance committed for state facilities where resources are used only for the specific purposes determined by formal action of the state legislature.
9340	Committed for Debt Service
	The balance of this GL code represents fund balances committed to debt service where resources are used only for the specific purposes determined by formal action of the state legislature.
	9370 - ASSIGNED FUND BALANCE
9370	Assigned for Working Capital
	The balance of this GL code represents the portion of fund balance assigned by management for working capital purposes. Amounts assigned for working capital are not considered to represent available spendable resources.
9372	Assigned for Other Purposes
	The balance of this GL code represents management's intention to use a portion of fund balance for a specific purpose(s).
	9390 - UNASSIGNED FUND BALANCE
9390	Unassigned
	The balance of this GL code represents total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balances. In governmental funds other than the General Fund, it represents excess of nonspendable, restricted and committed fund balances over total fund balance (i.e., deficit).

GL CODE	GENERAL LEDGER CODE DESCRIPTION

9510, 9513 and 9514 - BUDGETARY RESERVES

9510 Reserved for Encumbrances

This GL code represents the portion of fund balance legally reserved during the fiscal year for encumbrances accumulated in GL Code 6410, "Encumbrances" or GL Code 9513, "Reserved for Encumbrances for Reappropriated Capital Appropriations," or GL Code 9514, "Reserved for Encumbrances for Continuing Operating Expenditure Authority."

9513 Reserved for Encumbrances for Reappropriated Capital Appropriations

The balance of this GL code represents encumbrances outstanding at June 30 of the second fiscal year of the biennium that relate to capital appropriations which are reappropriated in the new biennium.

9514 Reserved for Encumbrances for Continuing Operating Expenditure Authority

The balance of this GL code is used to record at summary level the balance of encumbrances for biennial operating expenditure authority at the end of the first year of the biennium not recorded in detail in GL Code 6410 “Encumbrances.” It is offset by an entry to GL Code 9510 “Reserved for Encumbrances.” At the beginning of the second fiscal year of the biennium, this GL code is reversed and encumbrances are recorded at the detail level in GL Code 6410. This GL code is not used at the end of the biennium.

9350, 9400 and 9545 - PROPRIETARY/GOVERNMENT-WIDE NET POSITION

9350 Net Investment in Capital Assets (OFM Only)

The balance of this GL code is calculated as follows: capital assets, including restricted capital assets, net of accumulated depreciation (GL Code Series 2XXX) reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets (select GL Codes 51XX and 52XX).

9400 Accumulated Earnings (Losses)

The balance of this GL code represents accumulated earnings or losses.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9410	Restricted Net Position 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. Agencies having a balance in this GL code at year-end are required to disclose the purpose of the reserve.
9450	Unrestricted Net Position (OFM Only) The portion of net position that is neither restricted nor net investment in capital assets.
9545	Restricted for Unemployment Compensation The balance of this GL code represents the portion of net position restricted for future payments of unemployment compensation benefits.
9546	Restricted for Pensions The balance of this GL code represents the portion of net position restricted for future pension payments associated with defined benefit plans that are overfunded.
	9550 and 9600 - NET POSITION RESTRICTED FOR PENSIONS AND OTHER TRUSTS
9550	Restricted for Pensions The balance of this GL code represents the portion of net position held in trust for future payments of pension benefits.
9551	Restricted for Deferred Compensation Participants The balance of this GL code represents the portion of net position held in trust for future payments of deferred compensation to plan participants.
9554	Restricted for Local Government Investment Pool Participants The balance of this GL code represents the portion of net position held in trust for future payments to participants of the Local Government Investment Pool.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9601	Restricted for Members (DRS Only)
	The balance of this GL code represents the portion of the net position held in trust for retirement system member defined benefit account balances.
9603	Restricted for Benefits (DRS Only)
	The balance of this GL code represents the portion of the net position held in trust for future retirement system pension benefit payments.
9604	Restricted for Benefits – Medical (DRS Only)
	The balance of this GL code represents the portion of the net position held in trust for future retirement system medical benefit payments in LEOFF 2, WSPRS 1, and WSPRS 2.
9607	Restricted for Higher Education Retirement Plan Supplemental Benefits (DRS only)
	The balance of this GL code represents the portion of net position held in trust for future higher education retirement plan supplemental benefit payments.
9608	Restricted for Members Defined Contributions - SIB (DRS Only)
	The balance of this GL code represents the portion of the net position held in trust for retirement system member defined contribution account balances invested with the State Investment Board.
9609	Restricted for Members Defined Contributions - Self-Directed (DRS Only)
	The balance of this GL code represents the portion of the net position held in trust for retirement system member defined contribution account balances invested in self-directed options.
	9700 - FUND BALANCE/NET POSITION CHANGES and CORRECTIONS
9720	Prior Period Material Corrections (OFM Only)
	The balance of this GL code represents prior period material corrections made to beginning balances in fund equity accounts approved by OFM.
9721	Fund Type Reclassification Changes (OFM Only)
	The balance of this GL code represents a fund reclassification from one fund type to another fund type, approved by OFM.

GL CODE	GENERAL LEDGER CODE DESCRIPTION
9722	Accounting Policy Changes (OFM Only)
	The balance of this GL code represents prior period adjustments resulting from a change in accounting policy, approved by OFM.
9723	Capital Asset Policy Change
	The balance of this GL code represents prior period adjustments resulting from a change in the threshold for capitalization of assets, approved by OFM.
	9800 - GENERAL CAPITAL ASSETS VALUATION
9850	Investment in General Capital Assets
	The balance of this GL code represents the net equity in general capital assets constructed or purchased with governmental fund type account monies. (Used only in the General Capital Assets Subsidiary Account.)
	9900 - AFRS CLEARING
9910	Current Period Clearing
	This GL code is used in AFRS as an offset for entering activity to general ledger accounts. The balance of this GL code should be zero.
9920	Current Period Clearing (All Fund Types Except Subsidiary Accounts)
	This GL code is used in AFRS as an offset for entering activity to general ledger accounts. The balance of this GL code should be zero.
9940	Reserve Clearing (DRS Only)
	This GL code is used in AFRS as an offset to clear direct transfers between reserve accounts in pension trust funds. The balance of this GL code should be zero.
9998	Beginning Balance Clearing (OFM Only)
	This GL code is used in AFRS for entries to beginning general ledger account balances. The balance of this GL code should be zero.

75.50
Expenditure Authority Codes

75.50.10
October 1, 2016

Expenditure authority type and expenditure character codes with descriptions

Expenditure Authority Type Code	Expenditure Authority Type Description
1	State Denotes appropriations funded by revenues generated by the state's authority to tax, license, or collect fees from the public.
2	Federal Denotes appropriations funded by grants and contracts with federal government agencies. Does not include grants and contracts under the American Recovery and Reinvestment Act (ARRA) of 2009.
3	Federal - Unanticipated Denotes expenditure authority funded by grants and contracts with federal government agencies that were not included in the biennial budget request. Does not include grants and contracts under the ARRA.
4	Governor's Emergency Allocation Denotes the appropriation assigned to the funding identified as "Governor's Emergency" in the Appropriation Act.
6	Nonappropriated Denotes activity associated with nonappropriated/allotted and nonbudgeted accounts. Cannot be used with Budget type A (Appropriated).
7	Private/Local Denotes appropriations funded by grants, contracts, etc., with private parties or local government agencies.

Expenditure Authority Type Code	Expenditure Authority Type Description
8	Federal - ARRA Denotes appropriations funded by grants and contracts with federal government agencies under the ARRA.
9	Private/Local - Unanticipated Denotes expenditure authority funded by grants, contracts, etc., from private/local sources which was not included in the biennial budget request. This does not include activities between agencies of Washington State.
N	Federal - Nonappropriated ARRA Denotes activity in nonappropriated/allotted and nonbudgeted accounts funded by grants and contracts with federal government agencies under the ARRA.
U	Federal - Unanticipated ARRA Denotes expenditure authority funded by grants and contracts with federal government agencies under the ARRA that are not included in the enacted budget.
X	Prior Biennium Liability Liquidation Denotes activity to liquidate GL Code 6560 “Estimated Accrued Expenditures/Expenses” recorded on the records of agencies at the close of the prior biennium.
Y	Prior Biennium Liability Liquidation ARRA Denotes activity to liquidate GL Code 6560 “Estimated Accrued Expenditures/Expenses” recorded on the records of agencies under the ARRA at the close of the prior biennium.

Note: Types 1, 2, 4, 7, and 8 are assigned by the Office of Financial Management (OFM) and contained in the Expenditure Authority Schedule. Types 3, 9, and U may only be used within the proper range of expenditure authority codes for unanticipated receipts as noted in Subsections 75.50.20 and 75.50.30.

Budget Preparation Code	Budget Preparation Description
0	DSHS Social Services Federal (DSHS only) - Budget Preparation Only Used by the Department of Social and Health Services for biennial budget preparation as directed by OFM.
5	All Other Non-Lidded Block Grants (DSHS only) - Budget Preparation Only Used by the Department of Social and Health Services for biennial budget preparation as directed by OFM.
A	DSHS Family Support/Child Welfare Federal (DSHS only) - Budget Preparation Only Used by the Department of Social and Health Services for biennial budget preparation as directed by OFM.
C	DSHS Medicaid Federal (DSHS only) - Budget Preparation Only Used by the Department of Social and Health Services for biennial budget preparation as directed by OFM.
D	DSHS Temporary Assistance Needy Families (DSHS only) - Budget Preparation Only Used by the Department of Social and Health Services for biennial budget preparation as directed by OFM.
E	DSHS Child Care Development Funds (DSHS only) - Budget Preparation Only Used by the Department of Social and Health Services for biennial budget preparation as directed by OFM.
T	Used to denote bond funding for transportation projects - Budget Preparation Only Used by the Department of Transportation and other transportation agencies during biennial budget development.

Expenditure Character Code	Expenditure Character Description
1	Operating Denotes expenditures authorized for the purpose of funding ongoing programs.
2	Capital Denotes expenditures authorized for the purpose of construction, acquisition, or renovation of capital assets or long-term grant programs that cross biennial lines.

75.50.20 Operating expenditure authority codes

January 1, 2016

75.50.20.a Legislative Appropriations, OFM Allocations, and Nonappropriated/Allotted

Expenditure authority codes for legislative appropriations, OFM allocations, and nonappropriated/allotted expenditures are assigned by the Budget Division, OFM. Agencies are notified of the codes through the Expenditure Authority Schedule. If agencies have questions regarding the assignment of the codes they are to contact the Operations Section, Budget Division, OFM.

75.50.20.b Unanticipated Receipts Expenditure Authority

State	Federal	Private/Local
N/A	700-940 7A0-7F0 7G0-7Z0 ARRA 8A0-8Z0	9A0-9Z0 ZA0-ZZ0

Unanticipated receipts expenditure authority codes are assigned by agencies who request spending authority for unanticipated receipts of operating expenditures. The original unanticipated receipt expenditure authority code is to be used when applying for additional spending authority if the additional unanticipated receipts are from the same source and for the same purpose. **The third character in the expenditure authority code must be zero.** Charges against these codes are to have the corresponding revenue assigned to the appropriate source code (i.e. for Private/Local expenditure authority, revenues in the 05XX Private/Local Revenue Source Code series).

75.50.20.c **Nonappropriated/Nonallotted Operating Expenditures**

All nonappropriated/nonallotted operating expenditures reported to AFRS must use expenditure authority code Z96, Z98, or Z94-ARRA. These codes are to be used for all operating activity, other than unanticipated receipts, not included on the Expenditure Authority Schedule.

75.50.30 Capital expenditure authority codes

April 1, 2009

75.50.30.a **Legislative Appropriations**

Expenditure authority codes for capital appropriations are assigned by the Budget Division, OFM. Agencies are notified of the codes through the Expenditure Authority Schedule. If agencies have questions regarding the assignment of the codes they are to contact the Operations Section, Budget Division, OFM.

75.50.30.b **Unanticipated Receipts Expenditure Authority**

State	Federal	Private/Local
N/A	V10-W90 U10-U90 ARRA	X10-Y90

Unanticipated receipts expenditure authority codes are assigned by agencies who request spending authority for unanticipated receipts of capital expenditures. The original unanticipated receipt expenditure authority code is to be used when applying for additional spending authority if the additional unanticipated receipts are from the same source and for the same purpose. **The third character in the expenditure authority code must be zero**. Charges against these codes are to have the corresponding revenue assigned to the appropriate source code (i.e. for Private/Local expenditure authority, revenues in the 05XX Private/Local Revenue Source Code series).

75.50.30.c **Nonappropriated/Nonallotted Capital Expenditures**

All nonappropriated/nonallotted capital expenditures reported to AFRS must use expenditure authority code Z97, Z99, or Z95-ARRA. These codes are to be used for all capital activity, other than unanticipated receipts, not included on the Expenditure Authority Schedule.

75.50.40 Schedule of expenditure authority types and codes not included on the Expenditure Authority Schedule

June 1, 2009

The following table summarizes the expenditure authority number range, type, and character codes for operating and capital expenditure authority not included on the Expenditure Authority Schedule. The number range, type and character must match to be used in the Agency Financial Reporting System (AFRS).

No. Range	Type	Character	Character Description	Type Description
700-940* 7A0-7F0* 8A0-8Z0*	3	1	Operating	Unanticipated - Federal
7G0-7Z0	U	1	Operating	Unanticipated - ARRA
9A0-9Z0* ZA0-ZZ0*	9	1	Operating	Unanticipated - Private/Local
Z96 and Z98	6	1	Operating	Nonappropriated/ Nonallotted
Z94	N	1	Operating	Nonappropriated/ Nonallotted - ARRA
985-989	N	1	Operating	Nonappropriated - ARRA
V10-W90*	3	2	Capital	Unanticipated - Federal
U10-U90	U	2	Capital	Unanticipated - ARRA
X10-Y90*	9	2	Capital	Unanticipated - Private/Local
Z97 and Z99	6	2	Capital	Nonappropriated/ Nonallotted
Z95	N	2	Capital	Nonappropriated/ Nonallotted - ARRA
R3A-R3Z	N	2	Capital	Nonappropriated - ARRA

*The third character of the expenditure authority code must equal zero (0).

75.60
Statewide Program Codes

75.60.10 Sequential by code number with descriptions

October 1, 2016

Code	Title and Description
690	Nonbudgeted FTEs Used to indicate nonbudgeted FTEs expended for the state/federal work study and state internship programs. The state internship program includes both the undergraduate and executive fellowship programs.
850	Nonbudgeted Activities Used to indicate nonappropriated, nonallotted expenditures. Used only with Budget type N (Nonappropriated/Nonalloted Account) or M (Mixed (Partial Appropriated or Allotted/Partial Nonappropriated) Account).
880	Pensions, Claims, and Awards Used to indicate nonappropriated, nonallotted expenditures made for the payment of pensions, claims, and awards.
900	Capital Programs Used to indicate all capital programs except Department of Transportation, County Road Administration Board, and Transportation Improvement Board.

75.65
Statewide Project Type Codes

75.65.10 Information technology data needs

July 1, 2010

This policy reflects the increased interest in having better information about state information technology (IT) costs. This subsection defines IT costs in general, and how IT costs should be further classified as:

- Acquisition/new development, and
- Maintenance and operations.

For purposes of this subsection, the following standards apply to the coding of IT expenditures:

The **definition of information technology** includes the electronic capture, collection, storage, manipulation, transmission, calculation, retrieval, and presentation of information.

IT expenditures can be recorded in almost all objects of expenditure. For purposes of using statewide project type codes for IT, expenditures generally follow an IT employee in these functional areas of IT service delivery:

- Customer service (help desk, personal computer support, and portable device support);
- Infrastructure service (database administration, security, server and network administration, data center operations, and network communication services);
- Application service (packaged and custom application support);
- IT planning (research and development, strategic and disaster planning);
- IT administration (asset management, IT procurement, project management, and training); and
- IT application development projects.

75.65.10.a **Acquisition/new development –** This category includes things like:

- Hardware purchases intended to increase business capacity or expand functionality.
- Application development projects that either meet the software capitalization limit specified in Subsection 30.20.20, or that extend the estimated useful life of the application, or significantly expand functionality of the application.

75.65.10.b **Maintenance and operations** – This category includes things like:

- Costs for purchases of replacement IT goods and services.
- Internal costs associated with ongoing, routine IT work that maintains current business capacity.
- Costs related to minor system enhancements that do not meet the criteria under acquisition/new development.

75.65.20 Special provisions for information technology project type coding

July 1, 2010

Because the field of IT is constantly changing, professional judgment is required in the determination of what is included or excluded from coding as IT. Likewise, professional judgment may also be required in the determination of what is coded acquisition/new development or maintenance and operations.

For guidance on IT cost definitions by subobject code and other issues related to implementing the requirements of this subsection, refer to OFM's Administrative and Accounting Resources website at: http://www.ofm.wa.gov/resources/default.asp.

Notes:

- Chapter 30 capitalization policies differ from the IT coding for acquisitions/new development. The purpose of IT coding is for cost accounting, not capitalization.
- Subobject EL is defined as IT services, but is excluded from the requirement to code as an IT cost with Project Type X or Y.

A deferral for implementation of this requirement is granted to higher education agencies (including both four-year institutions and the community and technical colleges). This deferral expires June 30, 2013, and the IT coding requirement becomes effective for the biennium beginning July 1, 2013.

75.65.30 Sequential by code number with descriptions

July 1, 2010

Code	Title and Description
X	Used to indicate IT acquisitions/new development expenditures.
Y	Used to indicate IT maintenance and operations expenditures.

75.70
Object/Subobject/Sub-subobject Codes

75.70.10 Sequential by code number
July 1, 2015

Code	Statewide Sub-subobject	Title
		A - SALARIES AND WAGES
AA		State Classified
	SW01	• Regular Salaries
	SW02	• Shift Differential
	SW03	• Standby
	SW04	• Assignment Pay
	SW07	• Salary Advance
AB		Higher Education Classified
AC		State Exempt
	SW01	• Regular Salaries
	SW03	• Standby
AD		Higher Education Exempt
AE		State Special
	SW13	• Board and Commission Member Compensation
	SW14	• Specified Rate Compensation
AF		Higher Education Faculty
AG		Commissioned State Patrol Officers
AH		Higher Education Graduate Assistants
AJ		State Other
AK		Higher Education Other
AL		Higher Education Students
	SW15	• Work Study
AN		Justices and Judges
AR		Elected Officials
AS		Sick Leave Buy-Out
	SW01	• OASI Taxable
AT		Terminal Leave
AU		Overtime and Callback
	SW11	• Callback
	SW12	• Overtime
	SW13	• Overtime for Holidays

Code	Statewide Sub-subobject	Title
	SW14	• Shift Differential Overtime
	SW17	• Assignment Pay Overtime
		B - EMPLOYEE BENEFITS
BA		Old Age, Survivors, and Disability Insurance
BB		Retirement and Pensions
BC		Medical Aid and Industrial Insurance
	SW33	• Medical Aid Fund
	SW34	• Supplemental Pension
	SW35	• Accident Fund
BD		Health, Life, and Disability Insurance
BE		Allowances
	SW21	• Commute Trip Reduction
	SW22	• Cellular device
BF		Unemployment Compensation
BG		Supplemental Retirement Payments
BH		Hospital Insurance (Medicare)
BR		Other Postemployment Benefits
BP		Net Pension Liability Adjustment (Proprietary Accounts Only)
BT		Shared Leave Provided - Sick Leave
BU		Shared Leave Provided - Personal Holiday
BV		Shared Leave Provided - Vacation Leave
BW		Shared Leave Received
BZ		Other Employee Benefits
		C - PROFESSIONAL SERVICE CONTRACTS
CA		Management and Organizational Services
CB		Legal and Expert Witness Services
CC		Financial Services
CD		Computer and Information Services
CE		Social Research Services
CF		Technical Research Services
CG		Marketing Services
CH		Communication Services
CJ		Training Services
CK		Recruiting Services
CZ		Other Professional Services

Code	Statewide Sub-subobject	Title
		E - GOODS AND ROUTINE OTHER SERVICES
EA		Supplies and Materials
EB		Communications and Telecommunications Services
EC		Utilities
ED		Rentals and Leases – Land and Buildings
EE		Repairs, Alterations, and Maintenance
EF		Printing and Reproduction
EG		Employee Professional Development and Training
EH		Rentals and Leases – Furnishings and Equipment
EI		Retailer Commissions
EJ		Subscriptions
EK		Facilities and Services
EL		Data Processing Services (Interagency)
EM		Attorney General Services
EN		Personnel Services
EP		Insurance
ER		Other Routine Contractual Services
	SW31	• Employee Parking
ES		Vehicle Maintenance and Operating Costs
ET		Audit Services
EV		Administrative Hearings Services
EW		Archives and Records Management Services
EX		OMWBE Services
EY		Software Licenses, Maintenance, and Subscription-Based Computing Services
EZ		Other Goods and Services
		F - COST OF GOODS SOLD (Proprietary Funds Only)
FA		Net Cost of Goods Sold
FB		Purchases
FC		Returned Purchases
FD		Freight-In
FE		Discounts
FF		Inventory Adjustment
FG		Direct Labor
FH		Raw Materials (Direct Materials)
FJ		Manufacturing Overhead

Code	Statewide Sub-subobject	Title
		G - TRAVEL
GA		In-State Subsistence and Lodging
	SW41	• Meals Taxable
	SW42	• Meals Taxable – Board and Commission Members
GB		In-State Air Transportation
GC		Private Automobile Mileage
GD		Other Travel Expenses
GF		Out-of-State Subsistence and Lodging
	SW46	• Meals Taxable – Out of State
GG		Out-of-State Air Transportation
GN		Motor Pool Services
		J - CAPITAL OUTLAYS
JA		Noncapitalized Assets
JB		Noncapitalized Software
JC		Furnishings and Equipment
JD		Library Resources
JE		Land
JF		Buildings
JG		Highway Construction
JH		Improvements Other Than Buildings (Non State Highway System)
JJ		Grounds Development
JK		Architectural and Engineering Services
JL		Capital Planning
JM		Art Collections, Library Reserve Collections, and Museum & Historical Collections
JN		Relocation Costs
JQ		Software
JR		Intangible Assets
JZ		Other Capital Outlays
		M - INTERFUND OPERATING TRANSFERS
MA		Interfund Operating Transfers In
MB		Interfund Operating Transfers Out
MC		Interfund Transfers In - Principal
MD		Interfund Transfers In - Interest
MI		Interfund Transfers Out - Interest
MM		Agency Incentive Savings Transfers Out
MP		Interfund Transfers Out - Principal

Code	Statewide Sub-subobject	Title
		N - GRANTS, BENEFITS, AND CLIENT SERVICES
NA		Direct Payments to Clients
NB		Payments to Providers for Direct Client Services
NF		Workers' Compensation Payments
NH		Public Employee Benefit, Basic Health, and Community Health Service Payments
NL		Lottery Prize Payments
NR		Loan Disbursements
NT		Pension Refund Payments
NU		Pension Benefit Payments
NW		Special Employment Compensation
NY		Participant Withdrawals
NZ		Other Grants and Benefits
	SW91	• Employee Awards - Taxable
		P - DEBT SERVICE
PA		Principal
PB		Interest
PC		Other Debt Costs
PD		Principal COP Lease/Purchase Agreements
PE		Interest COP Lease/Purchase Agreements
		S - INTERAGENCY REIMBURSEMENTS
SA		Salaries and Wages
SB		Employee Benefits
SC		Professional Service Contracts
SE		Goods and Other Services
SG		Travel
SJ		Capital Outlays
SN		Grants, Benefits, and Client Services
SP		Debt Service
SZ		Unidentified
		T - INTRA-AGENCY REIMBURSEMENTS
TA		Salaries and Wages
TB		Employee Benefits
TC		Professional Service Contracts
TE		Goods and Other Services
TG		Travel

Code	Statewide Sub-subobject	Title
TJ		Capital Outlays
TN		Grants, Benefits, and Client Services
TP		Debt Service
TZ		Unidentified
		W - OTHER
WA		Depreciation/Amortization
WB		Amortization
WC		Bad Debts
WD		Change in Capitalization Policy
WE		Pollution Remediation (General Long-Term Obligations Subsidiary Account Only)
WF		Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)
WP		Net Pension Liability Adjustment (General Long-Term Obligations Subsidiary Account Only)
WR		Other Postemployment Benefits (General Long-Term Obligations Subsidiary Account Only)

Note: Statewide Sub-subobjects are used for processing payroll in the Human Resource Management System (HRMS).

75.70.20 Sequential by code number with description

July 1, 2015

Code	Title and Description
A	**SALARIES AND WAGES**
	Amounts paid to persons who provide personal services subject to the direction and control of a state agency (employer/employee relationship) are to be classified as salaries and wages, except for those persons who are considered employees for payroll tax reporting only (refer to Subobject NW). It does not matter that the state agency permits the employee considerable discretion and freedom of action as long as the state agency has the legal right to supervise and control the method and the result of the services.
AA	State Classified
	Those state employees/positions whose salaries are set in accordance with the Washington Personnel Resources Board salary schedule and compensation plans, except those employees/positions whose salaries are set by the Washington Personnel Resources Board under the provisions of additional exemptions requested by elected officials and the executive assistants for personnel administration as prescribed by RCW 41.06.070. Also includes those employees under the Washington Management Services program.
AB	Higher Education Classified
	All classified employees/positions of institutions of higher education and related boards under the jurisdiction of the Washington Personnel Resources Board as defined by chapter 41.06 RCW.
AC	State Exempt
	Those employees/positions whose salaries are set by the governor, upon recommendation of the State Committee on Agency Officials' Salaries, or by appropriate boards and commissions; and those employees/positions whose salaries are set by the Washington Personnel Resources Board under the provisions of additional exemptions requested by elected officials and the executive assistant for personnel administration as prescribed by RCW 41.06.070. This category includes those employees/positions whose salaries are established by agency heads such as confidential secretaries, administrative assistants, and assistant attorney generals.

Code	Title and Description
AD	Higher Education Exempt All employees/positions in institutions of higher education and related boards which have been defined as exempt by chapter 41.06 RCW by the Washington Personnel Resources Board and by the governing board of the institution excluding faculty, graduate assistants, students, and higher education other.
AE	State Special All legislative staff employees/positions for which the legislature establishes compensation rates. Also includes members of statutorily established boards, commissions, councils, and committees.
AF	Higher Education Faculty All employees/positions in institutions of higher education whose primary responsibilities are teaching, research, public service, or a combination of these, including librarians and counselors designated as faculty. Term(s) may be for quarter, semester, year, annual year, or longer.
AG	Commissioned State Patrol Officers All employees commissioned as Washington State Patrol Officers pursuant to chapter 43.43 RCW, and members of the Washington State Patrol Retirement System as prescribed by RCW 43.43.120.
AH	Higher Education Graduate Assistants All employees/positions held by matriculated students who are approved by the graduate school and whose primary responsibilities are related to teaching, research, and public service at institutions of higher education.
AJ	State Other Those employees/positions whose salaries are set through direct negotiation between designated agencies and employee representatives (e.g. craft and trade unions or employees not covered in the other groups).
AK	Higher Education Other All employees/positions within the institutions of higher education not subject to other classifications.

Code	Title and Description
AL	Higher Education Students
	All student employees other than graduate assistants or those covered by Washington Personnel Resources Board, including work-study students.
AN	Justices and Judges
	All Supreme Court Justices and judges of the court of appeals, superior courts, and district courts for which the Washington Citizens' Commission on Salaries for Elected Officials establishes compensation rates.
AR	Elected Officials
	State elected officials including Governor, Lieutenant Governor, Secretary of State, Treasurer, Auditor, Attorney General, Superintendent of Public Instruction, Commissioner of Public Lands, Insurance Commissioner, Senators, and Representatives for which the Washington Citizens' Commission on Salaries for Elected Officials establishes compensation rates.
AS	Sick Leave Buy-Out
	Salaries and wages expended for accrued employee sick leave as provided under RCW 41.04.340.
AT	Terminal Leave
	Salaries and wages expended for accrued vacation leave made to employees upon termination of employment.
AU	Overtime and Call-Back
	Additional amounts paid to employees for working overtime, compensatory time, and under call-back provisions of contracts and work agreements.
B	**EMPLOYEE BENEFITS**
BA	Old Age, Survivors, and Disability Insurance
	The amounts expended as the State's share of Old Age, Survivors, and Disability Insurance. Does not include Hospital Insurance (Medicare) premiums.

Code	Title and Description
BB	Retirement and Pensions
	The amounts expended as the State's share of retirement and pension benefits.
BC	Medical Aid and Industrial Insurance
	The amounts expended as the State's share of medical aid and industrial insurance.
BD	Health, Life, and Disability Insurance
	The amounts expended on the pay-as-you-go basis for the State's share of health, life, disability insurance, and the administrative fee for flexible spending and dependent care programs.
BE	Allowances
	The amounts expended for special payments to employees to cover costs of board, quarters, clothing, commute trip reduction incentives, and cellular device stipends.
BF	Unemployment Compensation
	The amounts expended to pay for unemployment compensation benefits received by former state employees.
BG	Supplemental Retirement Payments
	Amounts expended by colleges and universities for required supplemental payments to retired individuals when pension annuity payments are less then what the retiree would be eligible to receive under the public employee’s retirement system.
BH	Hospital Insurance (Medicare)
	The amounts expended as the State's share of Hospital Insurance (Medicare).
BP	Net Pension Liability Adjustment (Proprietary Accounts Only)
	The amount that represents the adjustment to pension expense arising from certain changes in the net pension liability related to employees in proprietary accounts.
BR	Other Postemployment Benefits
	The amount that represents the State’s share of the annual net other postemployment benefits cost.

Code	Title and Description
BT	Shared Leave Provided - Sick Leave
	The dollar value of sick leave donated by state employees in conjunction with the State's shared leave program.
BU	Shared Leave Provided - Personal Holiday
	The dollar value of personal holiday leave donated by state employees in conjunction with the State's shared leave program.
BV	Shared Leave Provided - Vacation Leave
	The dollar value of vacation leave donated by state employees in conjunction with the State's shared leave program.
BW	Shared Leave Received
	The dollar value of shared leave received by state employees, to be used in lieu of sick leave, in conjunction with the State's shared leave program.
BZ	Other Employee Benefits
	The amounts expended for benefits other than those indicated above.
C	**PROFESSIONAL SERVICE CONTRACTS**
	Professional service means consulting or technical expertise provided to accomplish a specific study, project, task, or other work statement. This category includes contracts with independent individuals or firms to perform a 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 results of the work.
	This includes new contracts and amendments and/or renewals of existing contracts.
	Where travel expenses are authorized and included as part of a contract or grant, the payment is to be recorded under the appropriate subobject code for the contract.
	Agencies are **not to include** amounts expended for:
	• Architectural and engineering services on capital projects. These amounts are to be recorded as Subobject JK.

Code	Title and Description
	• Client services, whether paid directly to the client or to the provider. These amounts are to be recorded as Subobjects NA and NB, respectively. • Other services that are routine and continuing in nature and recorded under the subobjects within Object E "Goods and Other Services."
CA	Management and Organizational Services **Management Services -** The amounts expended for services that impact agency policy, regulatory and business issues, or that have broad agency or statewide policy implications. Includes services that result in operational or managerial recommendations related primarily to business and policy processes. (Services related primarily to employee issues fall under Organizational Services.) Also includes services for program development, implementation and coordination; program evaluation and/or external quality review (may be mandated by Legislature or federal funding source). Includes conduct of performance audits, business assessments, accreditation reviews, management studies, including studies requested by the Legislature; and feasibility studies with significant policy impact. Also includes services for project management, quality assurance and business process re-engineering related to the agency's business and policy responsibilities; risk management and loss prevention; mediation; arbitration; and lobbying. **Organizational Services -** Includes services with a primary focus on agency organizational and human resource issues. Includes services to study, analyze or review the organizational structure, framework, or culture of the agency or divisions within the agency, and/or services implementing the recommendations of such an organizational study or effort. Also includes services that provide recommendations to management on enhanced efficiencies, productivity and process improvements related to employee functions at an agency and strategic planning within the organization; quality control services related to employee responsibilities within the organization; services to assist agencies in developing strategies to improve communication or processes with staff and customers to implement an agency's mission and to gain a better understanding of employee issues/concerns; personnel investigations and mediation; and facilitation services. (Services related primarily to agency business issues fall under Management Services.)
CB	Legal and Expert Witness Services The amounts expended for legal services and legal research and consultation by non-state employed attorneys, bond counsel, patent counsel, hearing examiners, etc. Expert witness contracts are for the purpose of providing

Code	Title and Description
	expert testimony in litigation, but may also include other services such as case consultation, research, and legal services. **Does not include** services for court reporters, legal aides or lay witnesses, which are classified as other contractual services under Subobject ER.
CC	Financial Services The amounts expended for financial services, actuarial services, economic analysis, cost/benefit analysis, cost allocation, accounting and financial audit services. Also includes investment management, cash management and stockbroker services. **Does not include** amounts expended for routine bookkeeping and fiscal services or for the state actuary, attorney general, or state auditor services.
CD	Computer and Information Services The amounts expended for design, development, and/or implementation of agency information technology (IT) systems; project management for systems; quality assurance on, or evaluation of IT systems; development of significant IT strategic plans; and business analysis related to the IT needs of an agency. Also includes services to analyze, enhance, modify or implement computer systems or telecommunications systems; IT security analysis and security vulnerability assessments; business analysis of agency IT system; disaster recovery planning services; and IT systems analysis. **Does not include** amounts expended for data processing charges or programming and data entry services, which are classified as other contractual services under Subobject ER.
CE	Social Research Services The amounts expended for studies or services related to health care, public health, behavioral science, criminal justice, education, medical issues, employment issues, community-based services or other social services. Includes services such as recruitment and retention of licensed foster care providers and adoptive homes; disaster relief services; technical assistance on literacy programs; development of housing opportunities for low-income population; immunization and infectious disease studies; medical records consultation; pharmaceutical consultation; behavioral consultation for special needs children; implementation of Work Force legislation, etc. Includes educational services related to the state's student population and development and enhancement of educational programs.

Code	Title and Description
	Does not include client services whether paid directly to clients or providers/contractors of direct services to clients. Payments to clients are classified as Subobject NA; contracts with providers/contractors who provide direct services to clients are classified as client service contracts under Subobject NB.
CF	Technical Research Services
	The amounts expended for studies or services related to transportation, traffic safety, commute programs, natural resources, agriculture, environment, science, biology, marine biology, water resource, hydrology and aquatic issues. Also includes property appraisals; real estate services; historical research; archaeological and historic site surveys; aerial surveys, and photogrammetry; industrial safety and industrial hygiene services; hazardous and non-hazardous waste services; and seismic safety studies.
CG	Marketing Services
	The amounts expended for services to develop or implement a marketing or advertising plan or campaign; services related to marketing or promoting an agency's services or agricultural commodities and state tourism; public relations, market branding; media specialist and media relations services; and market research and development. Also includes public involvement and public outreach campaigns; trade development and assistance; development of market research and customer satisfaction surveys and/or assessment of survey results; conference or trade show coordination/planning/funding; fund raising; and related types of services.
CH	Communication Services
	The amounts expended for services to design, develop, and/or provide oversight of audio/video media productions, brochures, manuals, guidelines, newsletters, display exhibits, signs, posters, annual reports, etc.; technical writing/editing; speech writing; oral history writing; grant writing; graphic design services; development of communication strategies; and other related services to inform the public or other governmental agencies about a subject or issue.
	Does not include services related to installation of computer system linkage and telecommunications systems, which are classified under Subobject EB.
CJ	Training Services
	The amounts expended for services for managerial training; employee counseling services; guest speakers for most types of functions; curriculum

Code	Title and Description
	development for all types of training services; conversion to on-line courses; and development of tests and test questions and administration of testing when it includes evaluation of candidates or similar services. **Does not include** training provided directly to agency clients or guest speakers for clients, which is classified as a client service contracts under Subobject NB. **Does not include** other training that is coded to Subobject EG.
CK	Recruiting Services The amounts expended for the services performed by a professional search firm to assist in recruitment of a successful candidate to fill a vacant position in an agency. **Does not include** amounts paid to trade magazines or newspapers for publishing open position announcements.
CZ	Other Professional Services The amounts expended for professional service contracts other than those described above, including insurance brokering, labor negotiations, development of test questions for professional licensing exams, acquisition development, safety audits, ergonomic evaluations, ADA evaluations, and creation of original works of art. **Does not include** training provided directly to agency clients, which is classified under Subobject NB.
E	**GOODS AND OTHER SERVICES**
EA	Supplies and Materials The amounts expended for all materials and supplies whether acquired by formal contract or an open account, which are (a) ordinarily consumed or expended within one year after being put into service, (b) converted in the process of construction or manufacture, or (c) used to form an incidental part of noncapitalized equipment or a capital asset.
EB	Communications and Telecommunications Services The amounts expended for transmission of voice and data messages. This category includes: contractual charges for land telegraph service, radio and wireless telegraph services, telephone, including wireless service, teletype,

Code	Title and Description
	and facsimile services; letter postage; rental of post office boxes or postage meter machines and/or mailing machines; contractual messenger service; switchboard service charges; telephone installation costs; and internet access charges. Also includes amounts expended for videoconferencing and data communication, such as data line costs, modems, routers, gateways, Internet and other bundled service costs.
EC	Utilities
	The amounts expended to heat, cool, and light state owned and/or leased facilities not obtained through the Department of Enterprise Services, where energy costs are not included as part of the monthly lease payments. Also, includes the amounts expended for water, sewer, and garbage.
ED	Rentals and Leases – Land and Buildings
	The amounts expended for leases and rentals for the occupancy and continued use of property owned by the Department of Enterprise Services and other state agencies, private landlords, and other public and non-profit entities. This category includes: land, buildings, and structures. Refer to Subobject EH for temporary use of space for conferences and meetings, and rentals and leases for furnishings, equipment, and to Subobject EY for software licenses and maintenance.
EE	Repairs, Alterations, and Maintenance
	The amounts expended for the normal upkeep and restoration of buildings, structures, equipment, or other improvements. Includes expenditures to remodel, restore, and recondition which do not extend the useful life of the asset. Also includes support and/or maintenance agreements on equipment, including hardware. Refer to Subobject EY for software licenses and maintenance.
EF	Printing and Reproduction
	The amounts expended for contractual printing and reproduction, binding operations, and all common processes of duplication performed by the Department of Enterprise Services' Printing and Imaging or commercial printers. Includes printed matter such as publications, books, pamphlets, digital and scanned images, and the cost of office copier supplies.
EG	Employee Professional Development and Training
	The amounts expended for the payment of tuition, fees, and/or other related expenses for individuals. Includes:

Code	Title and Description
	• Distance learning training options such as satellite, e-learning, and webcast training; and • Training provided incidental to the purchase of an asset but not included in the purchase price of the asset. Also includes the amounts expended for individual and/or agency participation in associations, organizations, conventions, and the cost of subscriptions that accompany these memberships. Also, includes nontaxable employee recognition and productivity awards of nominal economic value **excluding** cash or cash equivalents, such as gift certificates, which are taxable and are to be reported under Subobject NZ. **Does not include** training and related services provided under Subobject CJ. **Also, does not include** lodging or subsistence costs except where meals and/or lodging are included as an integral part of the fee.
EH	Rentals and Leases – Furnishings and Equipment The amounts expended for the possession and use of furnishings, equipment (excluding travel expense rentals), and the temporary use of space for conferences and meetings. Refer to Subobject ED for rentals and leases for continued use of land and buildings, and structures, and to Subobject EY for software licenses and maintenance.
EI	Retailer Commissions The amounts paid to retailers for selling lottery tickets and agents for selling state health insurance.
EJ	Subscriptions The amounts expended for subscriptions to newspapers, periodicals and databases, and/or services providing informational reports. Includes items purchased for use in state libraries that do not have a useful life greater than one year whether or not they are cataloged. **Does not include** subscriptions accompanying individual and/or agency memberships. **Does not include** subscription-based computing services coded to Subobject EY. **Also, does not include** items purchased for use in state libraries that are cataloged and have a useful life greater than one year. These are classified as capital outlays and coded to Subobject JD.

Code	Title and Description
EK	Facilities and Services Charges by the Department of Enterprise Services for central services provided to agencies. Includes, but is not limited to, maintenance of capital buildings and grounds, campus mail service, contract administration, and other fees charged by the Department of Enterprise Services. **Does not include** motor pool charges which are classified under Subobject GN or personnel services which are classified under Subobject EN.
EL	Data Processing Services (Interagency) Charges by state agencies for information technology services. Examples include computing services, hosting services, network services, web services, statewide systems (AFRS, HRMS, etc.), and planning and policy assessment by agencies such as the Department Enterprise Services, the Office of Financial Management, Office of the Chief Information Officer and Consolidated Technology Services.
EM	Attorney General Services Charges by the Office of Attorney General for legal services.
EN	Personnel Services Charges by the Department of Enterprise Services and the Office of Financial Management for services in connection with the appointment, training, promotion, transfer, layoff, recruitment, retention, classification, compensation, removal, discipline, labor relations, and welfare of state classified and higher education classified employees.
EP	Insurance The amounts expended for liability, property, vehicle, fire, accident, including risk management and self-insurance payments, and all other forms of insurance except for state employee insurance benefits.
ER	Other Contractual Services The amounts expended for **contractual** services provided to accomplish routine, continuing and necessary functions not otherwise specifically mentioned or included under the other subobjects within Object E “Goods and Other Services,” Object C “Professional Service Contracts,” Object N “Grants, Benefits, and Client Services,” or Subobject JK “Architectural and Engineering Services.”

Code	Title and Description
	Other contractual services could include, but are not limited to, custodial, interagency, court reporters, lay witnesses, process servers, security, data entry, keypunch, testing and application programming services, offsite data storage, and network monitoring.
ES	Vehicle Maintenance and Operating Costs
	The amounts expended for the maintenance and operation of state owned vehicles. Includes, but is not limited to, such costs as gasoline, oil, tires, parts, and supplies.
ET	Audit Services
	Charges by the Office of State Auditor for audit services.
EV	Administrative Hearings Services
	Charges by the Office of Administrative Hearings for hearings services.
EW	Archives and Records Management Services
	Charges by the Secretary of State for archiving, storage, and records management services.
EX	OMWBE Services
	Charges by the Office of Minority and Women's Business Enterprises for services.
EY	Software Licenses, Maintenance, and Subscription-Based Computing Services
	Amounts expended for purchased software or licenses of commercially available software with a useful life of one year or less, including upgrades and/or maintenance agreements. Software licensing includes, but is not limited to, the right to use the software, support for the software, and upgrades.
	Also includes amounts expended for hardware and software subscription-based computing services where the agency does not own or possess an asset, but instead has an agreement to rent or lease a vendor's product or service for a period of time. This includes, but is not limited to, cloud based services such as Software as a Service (SaaS), Infrastructure as a Service (IaaS), and Platform as a Service (PaaS).

Code	Title and Description
EZ	Other Goods and Services
	The amounts expended for goods and services other than those described above. Includes such items as bonds, freight (when not allocable to items purchased), advertising, and other goods and services from vendors or other agencies.
F	**COST OF GOODS SOLD (Proprietary Funds Only)**
	In budgeted accounts, to be used with General Ledger Code 6516 "Cost of Goods Sold" only. Revenue Source code 0450 "Sales of Goods and Supplies - Proprietary Funds" is to be used by agencies recording cost of goods.
FA	Net Cost of Goods Sold
	Amounts expended for the acquisition of merchandise purchased for resale, including purchase costs, freight-in costs, and inventory adjustments less returns and discounts. (For use by agencies not using itemized Subobjects FB through FF.)
FB	Purchases
	Amounts expended to acquire merchandise purchased for resale. (Agencies electing not to separately identify returns, freight costs, and discounts may record purchases net of these items.)
FC	Returned Purchases
	Amounts recovered from total purchase costs for merchandise returned to the vendor.
FD	Freight-In
	Amounts expended to common carriers for delivery of merchandise purchased for resale by the agency.
FE	Discounts
	Amounts deducted by vendors from the total invoiced amount of merchandise due to prompt payment or cash payment by the agency.
FF	Inventory Adjustments
	Amounts recorded to increase or decrease the cost of goods sold due to inventory losses or gains recognized during the accounting period.

Code	Title and Description
FG	Direct Labor
	Labor expended directly upon the materials comprising the finished product.
FH	Raw Materials (Direct Materials)
	All materials that represent an integral part of the finished product and that can be included directly in calculating the cost of the product.
FJ	Manufacturing Overhead
	The cost of indirect materials, indirect labor, and all other manufacturing expenses that cannot readily be direct charges to specific units, jobs, or products.
G	**TRAVEL**
	In addition to state employees, these subobject codes are to be used to record travel expenses paid to or for individuals who serve on boards, commissions, councils, committees and task forces, or volunteers and other individuals who are authorized to receive travel expense reimbursements.
	Where travel expenses are authorized and included as part of a contract or grant, the payment is to be recorded under the appropriate subobject code for the contract or grant.
GA	In-State Subsistence and Lodging
	The amounts paid for lodging and/or subsistence expenses incurred while traveling within the state's boundary on official state business, including lodging taxes.
GB	In-State Air Transportation
	The amounts paid for air transportation expenses incurred while traveling within the state's boundary on official state business.
GC	Private Automobile Mileage
	The amounts paid as reimbursement for private car mileage incurred while traveling on official state business.
GD	Other Travel Expenses
	The amounts paid for all other costs incurred while traveling on official state

Code	Title and Description
	business. Includes, but is not limited to: prospective employee interview expenses; employee relocation expenses; rail, bus, ferry, shuttle, or taxi fares; tolls; rental cars; parking fees; stenographic services; telephone calls; and other miscellaneous expenses.
GF	Out-of-State Subsistence and Lodging
	The amounts paid for lodging and/or subsistence expenses incurred while traveling outside the state's boundary on official state business, including lodging taxes.
GG	Out-of-State Air Transportation
	The amount paid for air transportation expenses incurred while traveling outside the state's boundary on official state business.
GN	Motor Pool Services
	The amounts expended for use of vehicles obtained from either the central or agency- operated motor pools. The expenditures incurred may be for vehicles used on either a specific trip(s) or permanently assigned basis.
J	**CAPITAL OUTLAYS**
	The amounts expended for the acquisition of, or addition to, capital assets intended to benefit future periods. Also includes those capital assets acquired through capital leases. Refer to Subsection 30.20.30 for capital lease criteria.
	Note: In budgeted proprietary funds, except for Subobjects JA and JB, the use of these subobjects also requires a corresponding entry to General Ledger code 6525 "Expense Adjustments/Eliminations (GAAP)."
JA	Noncapitalized Assets
	The amounts expended for capital assets with a useful life of greater than one year and not considered a capital asset in accordance with the state’s capitalization policy in Subsection 30.20.20. **Does not include** minor assets with a useful life of greater than one year such as staplers, waste containers, and tape dispensers.
	This subobject is used for acquisitions falling under the capitalization limit in the following categories: • Infrastructure (other than the state highway system). • Buildings, building improvements, leasehold improvements.

Code	Title and Description
	• Intangibles (other than noncapitalized software reported in Subobject JB). • Other capital assets individually or as a group falling below the limits set in Subsection 30.20.20.
JB	Noncapitalized Software The amounts expended for purchased software or licenses of commercially available software, types of intangible assets, with a useful life of greater than one year and not considered a capital asset in accordance with the state's capitalization policy in Subsection 30.20.20.
JC	Furnishings and Equipment The amounts expended for furnishings and equipment considered a capital asset in accordance with the state's capitalization policy.
JD	Library Resources The amounts expended for: the cost of books, maps, and films formally cataloged by a library or audiovisual center; sound film strips, slide sets, prepared transparencies, and prerecorded audio or video recordings; and periodicals and other electronic resources purchased and cataloged for libraries. **Does not include** items with a useful life less than one year, whether they are cataloged or not.
JE	Land The amounts expended for the acquisition of land. Includes: cost of acquiring land; clearing and grading costs; and the cost of razing buildings or other improvements acquired with land which were not intended for permanent use at time of acquisition. Also includes indefinite land use rights acquired with the purchase of the underlying land.
JF	Buildings The amounts expended for the acquisition of already constructed buildings including broker and appraisal fees, legal expenses, and repairs to put buildings in required condition for intended use. The amounts expended on contracts for construction, additions, alterations, and modernization of buildings including contracts for general, mechanical, and electrical costs, even though negotiated separately. Also, includes the cost of all change orders or contract extensions negotiated for the construction of the building, and the amount of interest on project loans that accrues during

Code	Title and Description
	the period of construction. The amounts expended for equipment installed as an integral part of the structure, whether the building is purchased or constructed. **Does not include** those items classified as equipment under Subobject JC "Furnishings and Equipment."
JG	Highway Construction The amounts expended for the construction, improvement, or addition to the state highway system.
JH	Improvements Other Than Buildings (Non State Highway System) The amounts expended for the construction, addition, and/or alteration of improvements other than buildings and infrastructure not related to the state highway system, such as: tunnel and utility systems; water and sewer systems; street lights and signs; braces and retaining walls; parking facilities;; shoreline protection projects; and leasehold improvements. State highway system construction is recorded in Subobject JG.
JJ	Grounds Development The amounts expended for landscaping and other grounds development unrelated to a building or other facility for general aesthetic, weed control, or other purposes.
JK	Architectural and Engineering Services The amounts expended for the services of architectural or engineering firms or individuals relating to the development and/or construction of a specific capital project.
JL	Capital Planning The amounts expended for the purpose of planning or determining the feasibility of a specific capital project or projects.
JM	Art Collections, Library Reserve Collections, and Museum and Historical Collections The amounts expended for the acquisition and maintenance of permanent works of art and historical artifacts.

Code	Title and Description
JN	Relocation Costs The amounts expended as reimbursement for personal moving costs associated with the relocation of either individuals or items associated with capital projects.
JQ	Software The amounts expended for purchased software or licenses of commercially available software, types of intangible assets, with a useful life of greater than one year and considered a capital asset in accordance with the state's capitalization policy.
JR	Intangible Assets The amounts expended for the purchase or construction of intangible assets considered a capital asset in accordance with the state’s capitalization policy. Examples of intangible assets include: • Patents, trademarks, copyrights. • Land use rights having definite useful lives if the cost can be separately identified from the land purchase. **Does not include** Software, Subobject JQ, and any intangible land use rights included in Land, Subobject JE.
JZ	Other Capital Outlays The amounts expended for capital projects not specifically indicated above.
M	**INTERFUND OPERATING TRANSFERS**
MA	Interfund Operating Transfers In Fund transfers specified in the appropriations act that are recorded as a reduction of expenditures.
MB	Interfund Operating Transfers Out Fund transfers specified in the appropriations act that are recorded as an increase of expenditures.

Code	Title and Description
MC	Interfund Transfers In – Principal
	Debt service transfer into a debt service fund for principal payments paid by the General Fund.
MD	Interfund Transfers In – Interest
	Debt service transfer into a debt service fund for interest payments paid by the General Fund.
MI	Interfund Transfers Out – Interest
	Debt service transfer for interest payments paid by the General Fund to a debt service fund.
MM	Agency Incentive Savings Transfers Out
	Fund transfer from the General Fund for agency program incentive savings. (OFM Only)
MP	Interfund Transfers Out – Principal
	Debt service transfer for principal payments paid by the General Fund to a debt service fund.
N	**GRANTS, BENEFITS, AND CLIENT SERVICES**
NA	Direct Payments to Clients
	Amounts paid directly to clients for such items as income maintenance, child support, childcare, food stamps, job counseling and training, medical and mental health treatments, tuition assistance programs, and transportation expenses. Payments may be made as either grants or reimbursements of expenses incurred by the clients.
NB	Payments to Providers for Direct Client Services
	Amounts paid under client service contracts entered into for professional, technical or other services, which will result in the delivery of direct services to individual clients. Client services include such items as medical and mental health treatments, and related transportation; job counseling and training; childcare; foster care; and chore services.
	For subobject NB coding purposes, clients are members of the public who have social, physical, medical, economic, or educational needs, for whom the agency has statutory responsibility to serve, protect or oversee. Clients are individuals, such as residents of state and non-state institutions, outpatients,

Code	Title and Description
	unemployed workers, indigents, crime victims, and including (but not limited to) students in the public schools system and institutions of higher education. Clients in the public school system may include parents, if they meet the requirements of a "client" as previously defined. **Note:** For payments related to federal assistance programs, refer to Section 50.30 for vendor versus subrecipient information.
NF	Workers' Compensation Payments The amounts paid for qualifying individuals sustaining work related injuries. (To be used by the Department of Labor and Industries and the Board for Volunteer Firefighters and Reserve Officers only.)
NH	Public Employee Benefit, Basic Health, and Community Health Service Payments The amounts paid to contractors for qualifying individuals covered by the State-administered health and benefits programs. (To be used by the Health Care Authority only.)
NL	Lottery Prize Payments The amounts paid for winning lottery tickets. (To be used by the State Lottery Commission only.)
NR	Loan Disbursements Allotment charges for budgeted long-term loan issues.
NT	Pension Refund Payments The amounts refunded to qualifying individuals under a state-sponsored retirement system.
NU	Pension Benefit Payments The benefits paid to qualifying individuals under a state-sponsored retirement system.
NW	Special Employment Compensation The amounts expended on salaries for individuals considered employees for payroll tax reporting, but not for state staff reporting (FTE) such as; Washington Conservation Corps (including health insurance costs), Ecology Youth Corps, Voluntary Separation and Retirement Incentive Program

Code	Title and Description
	(Financial Incentive Payments only), and supported employment groups. (OFM approval is required to use this subobject.) **Note:** Do not code participants in the state internship program under this code. Refer to the Object A series as appropriate. FTEs generated for interns and executive fellows will not count as budgeted FTEs.
NY	Participant Withdrawals The amounts withdrawn by participants from various state sponsored programs such as, the Local Government Investment Pool, the Deferred Compensation Program, and the Guaranteed Education Tuition Program.
NZ	Other Grants and Benefits The amounts expended for grants and benefits other than those described above. Also includes taxable employee recognition and productivity awards such as gift certificates. **Note:** For payments related to federal assistance programs, refer to Section 50.30 for vendor versus subrecipient information.
P	**DEBT SERVICE**
PA	Principal The amounts expended for the payment of principal on the various forms of indebtedness incurred by the state.
PB	Interest The amounts expended for interest on the various forms of indebtedness incurred by the state.
PC	Other Debt Costs The amounts expended for other related charges on the various forms of indebtedness incurred by the state. Examples include costs of issuance, underwriter's discount, and immaterial original issue discount. In proprietary fund type accounts, also includes immaterial amounts received for original issue premium.

Code	Title and Description
PD	Principal COP Lease/Purchase Agreements
	The amounts expended for the payment of principal on COP (Certificates of Participation) lease/purchase agreements with the Office of the State Treasurer.
PE	Interest COP Lease/Purchase Agreements
	The amounts expended for the payment of interest on COP (Certificates of Participation) lease/purchase agreements with the Office of the State Treasurer.
S	**INTERAGENCY REIMBURSEMENTS**
	To record payments received by a state agency as reimbursements of expenditures/expenses incurred for another state agency/agencies. These reimbursements are to be broken out to reflect which subobject is reimbursed.
	This will allow the tracking of reimbursements as well as provide sufficient detail for input to the *Comprehensive Annual Financial Report*. Whenever possible, Object S is not to be used by internal service funds. Reimbursements to internal service funds should generally be recorded as revenue.
SA	Salaries and Wages
	Payments received by a state agency from other state agencies as reimbursements of salaries and wages.
SB	Employee Benefits
	Payments received by a state agency from other state agencies as reimbursements of employee benefits.
SC	Professional Service Contracts
	Payments received by a state agency from other state agencies as reimbursements of professional service contracts.
SE	Goods and Services
	Payments received by a state agency from other state agencies as reimbursements of goods and services (Subobjects E) and noncapitalized furnishings and equipment (Subobject JA) and noncapitalized software (Subobject JB).

Code	Title and Description
SG	Travel
	Payments received by a state agency from other state agencies as reimbursements of travel.
SJ	Capital Outlays
	Payments received by a state agency from other state agencies as reimbursements of capital outlays, which does not include noncapitalized furnishings and equipment (Subobject JA) and noncapitalized software (Subobject JB). For reimbursements of Subobject JA and JB expenditures, use Subobject SE, Goods and Services.
SN	Grants, Benefits, and Client Services
	Payments received by a state agency from other state agencies as reimbursements of grants, benefits, and client services.
SP	Debt Service
	Payments received by a state agency from other state agencies as reimbursements of debt service.
SZ	Unidentified
	Payments received by a state agency from other state agencies as reimbursements of expenditures.
	Note: Agencies must reallocate to the appropriate subobject of expenditure within Object S at least annually at fiscal year end.
T	**INTRA-AGENCY REIMBURSEMENTS**
	The reallocation of expenditures and accruals within an agency by transfers between accounts or programs This code is not to be used for payment of services or recovery of expenditures from a proprietary fund. The total for this object at the subobject level is to equal zero for all accounts within the fiscal year.
TA	Salaries and Wages
	Reallocation of expenditures within an agency for salaries and wages.
TB	Employee Benefits
	Reallocation of expenditures within an agency for employee benefits.

Code	Title and Description
TC	Professional Service Contracts
	Reallocation of expenditures within an agency for professional service contracts.
TE	Goods and Services
	Reallocation of expenditures within an agency for goods and services (Subobjects E) and noncapitalized furnishings and equipment (Subobject JA) and noncapitalized software (Subobject JB).
TG	Travel
	Reallocation of expenditures within an agency for travel.
TJ	Capital Outlays
	Reallocation of expenditures within an agency for capital outlays, which does not include noncapitalized furnishings and equipment (Subobject JA), and noncapitalized software (Subobject JB). For reallocations of Subobjects JA and JB expenditures, use Subobject TE, Goods and Services.
TN	Grants, Benefits, and Client Services
	Reallocation of expenditures within an agency for grants, benefits, and client services.
TP	Debt Service
	Reallocation of expenditures within an agency for debt service.
TZ	Unidentified
	Reallocation of expenditures within an agency.
	Note: Agencies must reallocate to the appropriate subobject of expenditure within Object T at least annually at fiscal year end.
W	**OTHER**
WA	Depreciation/Amortization
	Expense that represents the portion of the expired service cost of capital assets during the accounting period. Only used with General Ledger codes 6511 and 6591 "Depreciation/Amortization Expense."

Code	Title and Description
WB	Amortization Expense that represents the portion of the amortization of premiums and/or discounts on debt or equity instruments, and amortization of deferred inflows and outflows related to debt refundings that is allocable to the accounting period. Only used with General Ledger codes 6512 “Amortization Expense” and 6593 "Amortization Expense (General Long-Term Obligations Subsidiary Account Only)."
WC	Bad Debts Expense that represents the portion of receivable balances, recorded previously as revenue, which has now been determined to be uncollectible. Only used with General Ledger code 6515 "Bad Debts Expense."
WD	Change in Capitalization Policy This amount represents the total immaterial book value of capital assets that are to be deleted from the records due to changes in the State’s capitalization policy. Only used with General Ledger code 6525 “Expense Adjustments/Eliminations (GAAP).”
WE	Pollution Remediation (General Long-Term Obligation Subsidiary Account Only) Expense that represents the pollution remediation costs associated with governmental fund type accounts in the General Long-Term Obligation Subsidiary Account. Only used with General Ledger Code 6594 “Pollution Remediation Expense (General Long-Term Obligation Subsidiary Account Only).”
WF	Capital Asset Adjustment (General Capital Assets Subsidiary Account Only) This amount represents the difference between the cost of a capital asset and its accumulated depreciation when the asset is disposed of or written off in the General Capital Assets Subsidiary Account. Only used in the General Capital Assets Subsidiary Account with General Ledger code 6597 "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)."
WP	Net Pension Liability Adjustment (General Long-Term Obligation Subsidiary Account Only) This amount represents the adjustment to pension expense arising from certain changes in the net pension liability related to employees of governmental fund type accounts. Only used with General Ledger Code 6598 “Pension Expense (General Long-Term Obligation Subsidiary Account Only).”

Code	Title and Description
WR	Other Postemployment Benefits (General Long-Term Obligation Subsidiary Account Only) Expense that represents the cost of postemployment benefits for employees of governmental fund type accounts in the General Long-Term Obligation Subsidiary Account. Only used with General Ledger code 6595 “Other Postemployment Benefits Expense (General Long-Term Obligation Subsidiary Account Only).”

75.80
Revenue Source Codes

75.80.10 Categories of revenue

June 1, 2004

The budget process in the State of Washington segregates expenditure authority into three main categories: state, federal and private/local. Since expenditure authority is directly linked to supporting funding sources, revenue codes are designated similarly.

Category	Revenue Source Code
State	01XX, 02XX, 04XX, 06XX, 08XX
Federal	03XX
Private/Local	05XX

The following generally describes the nature of revenue included in each category:

State: Revenues levied/charged by the state in support of state sponsored programs, including taxes, licenses, permits, fees, fines and forfeitures, as well as any revenues collected by the state that do not meet the definitions of federal or private/local revenues outlined below. State revenues also include resources generated from transactions where participants in state- sponsored activities receive value for resources provided, for example, tuition at a state-sponsored school, charges to residents in state institutions, sales of state property, and premiums for state-sponsored insurance programs.

Federal: Revenues that the state receives from the federal government under grant and similar agreements where the state is required to expend the assistance in accordance with federal program specifications. It can also include revenues received in payment of federal purchases of goods and services; federal contributions toward supported expenditures; and revenues associated with expenditures that are fully reimbursed by the federal government. (Note: Charges to federal expenditure authority are required to be supported by federal revenues.)

Private/Local: Revenues provided to the state by nonfederal sources such as private individuals, local governments, commercial enterprises and foundations that are restricted by contract or agreement. It can also include revenues received in payment of private/local purchases of goods and services; private/local contributions toward supported expenditures; and revenues associated with expenditures that are fully reimbursed by the private/local sources. (Note: Charges to private/local expenditure authority are required to be supported by private/local revenues.)

75.80.20 Major revenue source code descriptions

July 1, 2003

Code	Title and Description
0100	**Taxes** Amounts levied on individuals, organizations, and businesses by the State Legislature for the purpose of funding state services. Some taxes are based on or derived from an underlying exchange transaction between a merchant and a customer upon which the state imposes a tax, such as sales and fuel taxes. Other taxes imposed on non-governmental entities are nonexchange in nature. Property taxes, imposed on the value of property owned, are an example of a nonexchange tax revenue.
0200	**Licenses, Permits and Fees** Amounts paid by individuals, organizations, and businesses to engage in certain specified activities such as operating a business, driving a car, or hunting and fishing.
0300	**Federal Revenue** Revenue that the state receives from the federal government under grant and similar agreements where the state is required to expend the revenue in accordance with federal program specifications. It also includes revenues associated with expenditures that are fully reimbursed by the federal government.
0400	**State Charges and Miscellaneous Revenue** Revenue that the state receives from individuals, organizations, businesses and other governments for goods and services in conjunction with state- sponsored programs.
0500	**Private/Local Charges and Miscellaneous Revenue** Resources provided to the state by nonfederal sources such as private individuals, local governments, commercial enterprises, and foundations that are restricted by contract or agreement. It also includes revenues associated with expenditures that are fully reimbursed by private/local sources.

Code	Title and Description
0600	**Transfers** Amounts transferred by state agencies to other accounts and/or agencies; including treasurer's transfers of resources collected by one state agency/account to the agency/account that expends the resources.
0800	**Other Revenues and Financing Sources** Other revenues and financing sources not recorded elsewhere including those associated with debt financing activities, resources supporting trust activities, and certain noncash activities, such as receipt of donated commodities.
0900	**Non-Revenue Activities** Amounts related to various suspense codes that must be adjusted to zero at year-end.

75.80.30 Sequential by code number

October 1, 2016

Code	Title
	0100 - Taxes
0101	Retail Sales Tax
0102	Tax Credit - Sales Tax
0105	Business and Occupation Tax
0106	Tax Credits - B & O
0108	Brokered Natural Gas
0109	Tax Credits - Brokered Natural Gas
0110	Compensating Tax
0111	Tax Credits - Compensating Tax
0112	Hazardous Substance Tax
0113	Tax Credits - Hazardous Substance
0115	Motor Vehicle Fuel Tax
0116	Use Fuel Tax (Other Than Motor Vehicle Fuel)
0117	Excise Telephone Taxes
0118	Liter Tax - Liquor
0119	Liquor Sales Tax - Surcharge
0120	Liquor Sales Tax
0121	Beer Tax
0122	Wine Tax
0123	Marijuana Excise Tax
0124	Tribal Cigarette Tax
0125	Cigarette Tax
0126	Other Tobacco Products Tax
0127	I-773 Cigarette Tax
0128	Solid Waste Collection Tax
0130	Insurance Premium Tax
0131	Carbonated Beverage Tax
0134	Tax Credits - Public Utilities
0135	Public Utilities Tax
0136	Public Utilities District Privilege Tax
0137	Syrup (Soda) Tax
0140	Pari-mutuels Tax
0141	Petroleum Products Tax

Code	Title
0143	Intermediate Care Facility Tax
0149	Watercraft Excise Tax
0150	Property Tax
0151	Excise Taxes - Other
0155	Inheritance/Estate Taxes
0157	Real Estate Excise Tax
0159	Leasehold Excise Tax
0160	Commercial Fishing - Privilege Tax
0161	Exhibition Center Admission Tax
0162	Stadium Admission Tax
0163	Stadium and Exhibition Center Parking Tax
0170	Other Taxes
0175	Penalties and Interest
0180	Timber Tax
0190	Fire Insurance Premium Distributions
0191	PUD Privilege Tax Distributions
0192	Prosecuting Attorney Distributions
0195	Motor Vehicle Fuel Tax Distributions
0196	Liquor Tax Distributions
0197	Timber Tax Distributions
0198	Other Tax Distributions
0199	Tax Revenue Suspense (Department of Revenue Use Only)
	0200 - Licenses, Permits, and Fees
0201	Accountants
0202	Auctioneers
0203	Agriculture/Aquaculture Licenses and Fees
0204	Aircraft
0205	Alcoholic Beverages
0206	Alias Business Certification Fees
0207	Other Health Professions Licenses
0208	Architect Licenses
0209	Beautician, Barber and Body Artist Licenses
0210	Athletic Licenses
0211	Gambling Licenses and Fees

Code	Title
0212	Banking Licenses and Fees
0216	Hearing Aid Consultants
0217	Cemetery Fees
0218	Land Sales Disclosure Act
0219	Certified Psychologist Licenses
0220	Charitable Funds Solicitation
0221	Cigarette Fees and Licenses
0222	Commercial Driver Schools
0223	Contractors Registration
0224	Collection Agencies
0225	Burning Permit Fees
0226	Corporation Licenses and Fees
0227	Marijuana Licenses and Fees
0229	Electrical Licenses
0231	Employment Agency Licenses
0232	Engineering and Surveying Licenses
0233	Farm Labor Licenses
0234	Educational Institutions Registration Fees
0236	Firearms Licenses, Fees, and Permits
0237	Commercial Fishing Licenses
0238	Franchise Licenses
0240	Funeral Licenses
0242	Health Fees and Licenses
0244	Horse Racing Licenses and Fees
0245	Hunting and Fishing Licenses
0246	Insurance Licenses and Fees
0248	Liquid Fuel Licenses
0249	Landscape Architects
0250	Fireworks Licenses
0251	Dental Licenses
0252	Medical Licenses
0253	Motor Vehicle Licenses
0254	Motor Vehicle Operator Licenses
0255	Automobile Sales Licenses
0256	Notary Fees and Commission of Deeds

Code	Title
0258	Registered and Licensed Practical Nurse Licenses
0260	Optician Licenses
0261	Optometrist Licenses
0262	Pharmacy Licenses
0263	Puget Sound Pilot Licenses
0264	Nursing Home Administrative Licenses
0266	Power Licenses
0267	Real Estate Excise Tax Transaction Fees
0268	Public Utilities Regulatory Fees
0270	Real Estate Licenses
0271	Sewage Treatment Plant Operator Licenses
0272	Safety Inspection Licenses and Fees
0274	Credit Union Licenses and Fees
0275	Ocularist Licenses
0276	Forest Practices Permit Fees
0277	Securities Licenses, Permits, and Fees
0278	Occupational Therapist Licenses
0279	Vessel Registration Fees
0281	Sellers of Travel
0283	Veterinarian Licenses
0285	Water Resources Fees
0286	Water Quality Fees
0287	Well Construction and Licensing
0290	Log Patrol Licenses
0291	Marriage Licenses
0292	Business License Fees
0294	Hazardous Waste Fees
0295	Certified Acupuncturist Licenses
0296	Replacement Tire Fee
0297	Boating Safety Distributions
0298	Alcoholic Beverage License Fees Distributions
0299	Other Licenses, Permits, and Fees
	0300 - Federal Revenue
0301	African Development Foundation

Code	Title
0303	Institute of Museum Services
0304	Inter-American Foundation
0305	National Endowment for the Arts
0306	National Endowment for the Humanities
0307	Office of National Drug Control Policies
0308	Peace Corps
0309	Legal Services Corporation
0310	Department of Agriculture
0311	Department of Commerce
0312	Department of Defense
0313	Central Intelligence Agency
0314	Department of Housing and Urban Development
0315	Department of the Interior
0316	Department of Justice
0317	Department of Labor
0319	Department of State
0320	Department of Transportation
0321	Department of the Treasury
0323	Appalachian Regional Commission
0327	Office of Personnel Management
0329	Commission on Civil Rights
0330	Equal Employment Opportunity Commission
0332	Federal Communications Commission
0333	Federal Maritime Commission
0334	Federal Mediation and Conciliation Service
0339	General Services Administration
0340	Government Printing Office
0342	Library of Congress
0343	National Aeronautics and Space Administration
0344	National Credit Union Administration
0346	National Labor Relations Board
0347	National Science Foundation
0355	Federal Revenue - Non-Assistance
0357	Railroad Retirement Board
0358	Securities and Exchange Commission

Code	Title
0359	Small Business Administration
0360	Smithsonian Institution
0361	International Trade Commission
0362	Tennessee Valley Authority
0364	Veterans Administration
0366	Environmental Protection Agency
0368	National Gallery of Art
0370	Overseas Private Investment Corporation
0377	Nuclear Regulatory Commission
0378	Commodity Futures Trading Commission
0381	Department of Energy
0383	Federal Emergency Management Agency
0384	Department of Education
0385	Scholarship and Fellowship Foundations
0386	Pension Benefit Guaranty Corporation
0387	Consumer Product Safety Commission
0388	Architectural and Transportation Barriers Compliance Board
0389	National Archives and Records Administration
0390	Miscellaneous Commissions
0391	United States Institute of Peace
0392	National Council on Disability
0393	Department of Health and Human Services
0394	Corporation for National and Community Service
0396	Social Security Administration
0397	Homeland Security
0398	US Agency for International Development
0399	Federal Assistance - Miscellaneous
03DS	Federal Revenue Distributions (State Treasurer Only)
	0400 - State Charges and Miscellaneous Revenue
0401	Investment Income
0402	Income from Property
0404	Cost of Supervision Assessment Fee
0405	Fines, Forfeits and Seizures
0406	Litter Control Revenue

Code	Title
0407	Patient Care
0409	Interest Income
0410	Unclaimed Monies
0411	Dividend Income
0413	Capital Gains and Losses
0415	Sale of Property - Timber
0416	Sale of Property - Other
0417	Victims of Crime Compensation
0418	Gain or Loss On Sale of Capital Assets
0420	Charges For Services
0421	Publications and Documents
0423	Room, Board, and Meals
0424	Tuition and Fees
0425	Filing Fees and Legal Services
0427	Property and Resources Management
0430	Dedicated Student Fees
0434	Hazardous Waste Cleanup Recoveries
0440	Indirect Cost Reimbursement
0441	Contributions and Grants
0444	Grant Repayments
0445	Unemployment Compensation Reimbursement
0447	Health Benefit Payments
0448	Statewide Indirect Cost Recoveries
0450	Sales of Goods and Supplies - Proprietary Funds
0458	Public Facilities District Annual Payment
0470	Judicial Information System Fees
0471	Unemployment Compensation Contributions
0472	Workers' Compensation Contributions
0473	Costs of Investment Activities
0477	Lottery Ticket Proceeds
0478	Lottery Ticket Returns
0484	LCB State Excess Profit Distributions
0485	Immaterial Prior Period Adjustments
0486	Recoveries of Prior Expenditure Authority Expenditures
0487	Recoveries of Student Financial Aid Expenditures

Code	Title
0489	Amortization
0490	Cash Over and Short
0492	Autopsy Cost Reimbursements
0493	Aquatic Lands Distributions
0494	Impaired Driving Safety Distributions
0496	Insurance Premiums
0497	Charges For Transportation Services
0498	Tort Claim Reimbursement
0499	Other Revenue
04DS	Unclaimed Property Distributions
	0500 - Private/Local Charges and Miscellaneous Revenue
0523	Board, Room, and Meals
0535	Energy Facility Application and Monitoring Fees
0541	Contributions and Grants
0546	Federal Revenue - Pass Through
0597	Reimbursable Contracts
	0600 - Transfers
0611	Bond Transfers In
0612	Bond Transfers Out
0621	Operating Transfers In
0622	Operating Transfers Out
0623	Investment Administration Transfers (SIB Only)
0626	Noncash Revenue Transfers - Compensation
0627	Noncash Revenue Transfers - Other
0633	Timber Tax Transfer
0634	Streamlined Sales and Use Tax Mitigation Transfer
0635	Air Pollution Control (Ride Share) Transfer
0636	State Treasurer's Service Account Transfer
0637	Liquor Excise Tax Account Transfer
0638	General Fund and Basic Health Plan Trust Account Transfer - Marijuana Revenues
0639	Electric Vehicle Sales Tax Exemption Transfer
0640	Washington Opportunity Pathways Account Transfer - Lottery Revenues

Code	Title
0641	Stadium & Exhibition Account Transfer - Lottery Revenues
0642	Student Achievement Account Transfer - Lottery Revenues
0643	Education Construction Account Transfer - Lottery Revenues
0644	General Fund Transfer - Lottery Revenues
0645	Budget Stabilization Transfer
0647	Child and Family Reinvestment Account Transfer
0648	Commute Trip Reduction Transfer
0649	Unclaimed Property Transfer
0651	Flood Control Transfer
0653	Columbia River Water Delivery Transfer
0654	County Criminal Justice Transfer
0655	Municipal Criminal Justice Transfer
0657	Criminal Justice Treatment Transfer
0659	Site Closure Account Transfer
0663	Recreation Access Pass Transfer
0664	Clean Alternative Fuel Commercial Vehicle Tax Credit Transfer
0666	Fair Account Transfer
0667	Initiative 773 Transfers
0668	Education Savings Account Transfer
0677	Agency Incentive Savings Transfers In (OFM Only)
0678	Equity Transfers In
0679	Equity Transfers Out
0680	Pension Benefit Reserves Transfers In (DRS Only)
0681	Pension Benefit Reserves Transfers Out (DRS Only)
0683	Retirement System Transfer
0688	UW Internal Lending Program Transfers
0689	Operating Transfers - Toll Charges
0690	Special Transfers
0693	Operating Transfers - Debt Service
0694	Operating Transfers - Debt Service Reimbursements
0696	Operating Transfers - Motor Fuel Taxes
	0800 - Other Revenues and Financing Sources
0802	Employer Pension Contributions
0803	Employee Pension Contributions

Code	Title
0804	State Pension Contributions
0807	Certificates of Participation
0809	Capital Leases
0820	Capital Contributions
0825	Pool Participant Contributions
0850	Payments to Escrow Agents for Refunded COPs
0851	Original Issue Discount - Refunding COPs
0852	Underwriters Discount / Costs of Issuance - Refunding COPs
0853	Original Issue Premium - Refunding COPs
0854	Proceeds of Refunding COPs
0855	Payments to Escrow Agents for Refunded Bonds
0856	Original Issue Discount - Refunding Bonds
0857	Underwriters Discount / Costs of Issuance - Refunding Bonds
0858	Original Issue Premium - Refunding Bonds
0859	Proceeds of Refunding Bonds
0860	Bonds Issued
0862	Original Issue Discount - Bonds
0863	Original Issue Premium - Bonds
0864	Taxable Bonds Issued
0865	Note Proceeds
0866	Loan Principal Repayment
0868	Original Issue Discount - COPs
0869	Original Issue Premium - COPs
0871	Special Items
0872	Extraordinary Items
	0900 - Non-Revenue Activities*
0901	Interagency Reimbursements
0902	Recoveries of Current Expenditure Authority Expenditures
0920	Items Placed in Suspense
0921	Rental Excise Tax Suspense
0925	Undistributed Receipts
0940	Deposit Adjustments and Returned Checks

* At fiscal year end, amounts in 0900 - Non-Revenue Activities source codes are to be reclassified to the appropriate asset, liability, revenue, or expenditure/expense coding.

75.80.40 Sequential by code number with description

October 1, 2016

Code	Title
	0100 - Taxes
	Amounts levied on individuals, organizations, and businesses by the State Legislature for the purpose of funding state services. Some taxes are based on or derived from an underlying exchange transaction between a merchant and a customer upon which the state imposes a tax, such as sales and fuel taxes. Other taxes imposed on non-governmental entities are nonexchange in nature. Property taxes, imposed on the value of property owned, are an example of nonexchange tax revenue.
0101	Retail Sales Tax
	Tax levied on the selling price of tangible personal property and certain services purchased at retail. (chapter 82.08 RCW)
0102	Tax Credits - Sales Tax
	Credits allowed to offset sales tax liability. (chapter 82.12 RCW)
0105	Business and Occupation Tax
	Tax levied on gross receipts of all businesses operating in Washington. (chapter 82.04 RCW)
0106	Tax Credits - B & O
	Credits allowed to offset business and occupation tax liability. (chapter 82.04 RCW)
0108	Brokered Natural Gas
	Tax levied on natural or manufactured gas that is consumed in Washington that has not been subject to the public utility tax. (RCWs 82.12.022 and 82.14.230)
0109	Tax Credits - Brokered Natural Gas
	Credits allowed to offset the brokered natural gas tax liability. (RCWs 82.12.022 and 82.14.230)

Code	Title
0110	Compensating Tax Tax levied on the acquisition cost of items used in Washington on which retail sales tax was not paid. Also known as use tax. (chapter 82.12 RCW)
0111	Tax Credits - Compensating Tax Credits allowed in statue to offset compensating tax liability. (chapter 82.12 RCW)
0112	Hazardous Substance Tax Tax levied on the wholesale value of certain substances which are defined as hazardous by statute or deemed to cause a threat to human health or the environment by the Department of Ecology. Specifically applies to petroleum products, pesticides and certain chemicals. (chapters 82.21 and 82.23B RCW)
0113	Tax Credits - Hazardous Substance Credits allowed in statute to offset the hazardous substance tax liability. (chapters 82.21 and 82.23B RCW)
0115	Motor Vehicle Fuel Tax Tax levied on each gallon of motor vehicle fuel delivered from a terminal rack in Washington. Includes gasoline and other inflammable gas or liquids used to propel motor vehicles (excludes special fuels such as diesel and propane). (chapter 82.36 RCW)
0116	Use Fuel Tax (Other Than Motor Vehicle Fuel) Special tax levied on all combustible gases and liquids used to propel motor vehicles, except those subject to the motor vehicle fuel tax. (chapters 82.38 and 70.149 RCW)
0117	Excise Telephone Taxes Enhanced 911 tax which is levied on telephone access lines (switched access lines, radio access lines, and interconnected voice over internet protocol service lines). (RCW 82.14B.030)

Code	Title
0118	Liter Tax - Liquor Tax levied on the selling price of spirits in their original packaging on a per liter basis. Spirits includes any beverage containing alcohol with more than 24% alcohol by volume. (RCW 82.08.150)
0119	Liquor Sales Tax - Surcharge Surcharge levied in addition to the liquor sales tax on the selling price of spirits in their original packaging. (RCW 82.08.150(4))
0120	Liquor Sales Tax Tax levied on the selling price of spirits in their original package. (RCW 82.08.150)
0121	Beer Tax Tax levied on brewers and distributors of beer for the privilege of manufacturing or selling beer in Washington. (RCW 66.24.290)
0122	Wine Tax Tax levied on wine sold to wholesalers, the Liquor Control Board, directly to consumers on winery premises, and direct shipments to consumers and retailers. (RCW 66.24.210)
0123	Marijuana Excise Tax Tax levied on producers, processors and retailers on the wholesale and retail selling price of marijuana, useable marijuana and marijuana-infused products. (RCW.69.50.535)
0124	Tribal Cigarette Tax Funds received in lieu of the state cigarette tax and state/local retail sales tax in accordance with an agreement with the Puyallup Tribe. The state receives a percentage of the receipts of a cigarette tax levied by the tribe. (RCW 43.06.465)
0125	Cigarette Tax Tax levied on the first taxable event (sale, use, consumption, handling, possession or distribution of cigarettes) within Washington. (chapter 82.24 RCW)

Code	Title
0126	Other Tobacco Products Tax Tax levied on the sale, use, consumption, handling or distribution of cigars, pipe tobacco, chewing tobacco and other forms of tobacco (excludes cigarettes) paid by the first seller of the products in Washington. (chapter 82.26 RCW)
0127	I-773 Cigarette Tax Additional tax authorized on cigarettes with passage of Initiative 773. (RCWs 43.72.900(3) and 82.24.028)
0128	Solid Waste Collection Tax Tax levied on charges for solid waste services including the collection, transfer, storage, and disposal of solid waste. (RCW 82.18.020)
0130	Insurance Premium Tax Tax levied on the net premiums received by insurers doing business in Washington. (RCWs 48.14.020 and 48.14.021)
0131	Carbonated Beverage Tax Tax levied on the on the privilege of selling carbonated beverages in Washington. (Title 82 RCW)
0134	Tax Credits - Public Utilities Credits specified in statute to offset the public utilities tax. (chapter 82.16 RCW)
0135	Public Utilities Tax Tax levied on the gross income derived from operation of public and privately owned utilities including the general categories of transportation, communications, and the supply of energy and water. (chapter 82.16 RCW)
0136	Public Utilities District Privilege Tax Tax levied on electric generating facilities of public utilities districts for the privilege of operating in Washington. (chapter 54.28 RCW)
0137	Syrup (Soda) Tax Tax levied on syrup used in making carbonated beverages. (chapter 82.64 RCW)

Code	Title
0140	Pari-mutuels Tax
	Tax levied on the gross receipts of pari-mutuel machines at licensed horse racing events. (chapter 67.16 RCW)
0141	Petroleum Products Tax
	Tax levied on the wholesale value of products derived from refining crude oil. (chapter 82.23A RCW)
0143	Intermediate Care Facility Tax
	Tax levied on the gross receipts of intermediate care facilities for services provided to persons with intellectual disabilities. (chapter 82.65A RCW)
0149	Watercraft Excise Tax
	Tax levied on the fair value of noncommercial boats used on Washington waters. (chapter 82.49 RCW)
0150	Property Tax
	Tax levied on the assessed value of all real and personal property located in Washington that is not specifically exempted. (Title 84 RCW)
0151	Excise Taxes - Other
	All other excise taxes, which do not have a unique revenue source.
0155	Inheritance/Estate Taxes
	Taxes levied on the value of property located in Washington transferred upon the death of the owner. (chapter 83.100 RCW)
0157	Real Estate Excise Tax
	Tax levied on the sale of real estate or transfer of controlling interest. (chapters 82.45 and 82.46 RCW)
0159	Leasehold Excise Tax
	Tax levied on the private use of publicly owned real and personal property. (chapter 82.29A RCW)

Code	Title
0160	Commercial Fishing - Privilege Tax Tax levied on the value of the first commercial possession of enhanced food fish, shellfish, and anadromous game fish. (chapter 82.27 RCW)
0161	Exhibition Center Admission Tax Tax levied on entry into the Exhibition Center. (RCW 36.38.010(5))
0162	Stadium Admission Tax Tax levied on admission to the Public Stadium. (RCW 36.38.010(5))
0163	Stadium and Exhibition Center Parking Tax Tax levied on parking fees at the Stadium and Exhibition Center. (RCW 36.38.020)
0170	Other Taxes All other taxes collected without specific revenue source coding assigned.
0175	Penalties and Interest Amounts due to state in the form of penalties and interest for late reporting, filing or payment of funds due the state.
0180	Timber Tax Tax levied on the stumpage value of timber harvested for sale, commercial or industrial use. (chapter 84.33 RCW)
0190	Fire Insurance Premium Distributions Distributions of a percentage of taxes on fire insurance premiums to local governments that established their own firefighters' pension funds prior to the establishment of the LEOFF System on March 1, 1970. (RCW 41.16.050)
0191	PUD Privilege Tax Distributions Distributions of PUD privilege tax to local governments. (chapter 54.28 RCW)

Code	Title
0192	Prosecuting Attorney Distributions
	Distributions of revenue to counties to pay for one-half of the salaries of prosecuting attorneys. (RCW 36.17.020)
0195	Motor Vehicle Fuel Tax Distributions
	Distributions of motor vehicle fuel taxes to local governments to be used for construction, improvements, and repair of highways, streets and roads. (chapter 46.68 RCW)
0196	Liquor Tax Distributions
	Distributions of liquor excise taxes to local governments (RCW 82.08.170), and wine taxes to the Washington Wine Commission and Washington State University (RCW 66.24.210).
0197	Timber Tax Distributions
	Distributions of county tax on timber harvested on private lands to county of origin. (chapter 84.33 RCW)
0198	Other Tax Distributions
	Distributions of other taxes and liquor profits to local governments.
0199	Tax Revenue Suspense (Department of Revenue Use Only)
	Tax suspense coding used only by Department of Revenue for combined excise tax returns.
	0200 - Licenses, Permits, and Fees
	Amounts paid by individuals, organizations, and businesses to engage in certain specified activities such as operating a business, driving a car, or hunting and fishing.
0201	Accountants
	Licenses, permits and fees collected from individuals and corporations in the certified public accounting field. (chapter 18.04 RCW)

Code	Title
0202	Auctioneers
	Fees collected to license and regulate persons or businesses engaged in providing auctioneering services. (chapter 18.11 RCW)
0203	Agriculture/Aquaculture Licenses and Fees
	Fees collected for commodity inspections; inspections, licenses and certifications for food safety, animal health and other consumer services; fees, registrations, and inspections associated with plant protection; and, fees, registrations and licenses related to pesticide management.
0204	Aircraft
	Licenses and fees collected from aircraft dealers and aircraft registration. (RCWs 14.020.050 and 47.68.250)
0205	Alcoholic Beverages
	Fees collected to license and regulate persons or businesses engaged in selling and/or serving alcoholic beverages. (Title 66 RCW)
0206	Alias Business Certification Fees
	Fees collected to certify an individual, company or organization has registered to conduct business under an alternate name.
0207	Other Health Professions Licenses
	Certification and license application and renewal fees collected for various health care professionals.
0208	Architect Licenses
	Fees collected to license and regulate persons or businesses engaged in providing architectural services (not including landscape architecture). (chapter 18.08 RCW)
0209	Beautician, Barber and Body Artist Licenses
	Fees collected to license and regulate schools, cosmetologists, manicurists, barbers, estheticians, instructors, body artists, body piercing and tattoo artists, and includes salons/shops, personal services or mobile units where these services are performed. (chapters 18.16 and 18.300 RCW)

Code	Title
0210	Athletic Licenses
	Fees collected to license and regulate those engaged in professional boxing, kickboxing, and martial arts including original application fees and renewal fees for promoters, managers, boxers, seconds, wrestling participants, inspectors, judges, timekeepers, announcers, event physicians, chiropractors, referees, matchmakers, kick boxers and martial arts participants. (chapter 67.08 RCW)
0211	Gambling Licenses and Fees
	Fees collected to license businesses engaged in providing recreational gambling activities to the public. Also includes fees from retailers applying to sell Lottery products or fees collected from tribal governments for specific gambling activities. (chapter 9.46 RCW)
0212	Banking Licenses and Fees
	Used to record revenue from examination fees, annual license assessments, and annual assessment on business volume and licensing application fees.
0216	Hearing Aid Consultants
	Certification and license application and renewal fees collected for hearing and speech health care professionals. (chapter 18.35 RCW)
0217	Cemetery Fees
	Fees collected to license and regulate the handling of human remains, cemeteries, crematories, morgues, and mausoleums.
0218	Land Sales Disclosure Act
	Fees collected for timeshare registrations and salespersons.
0219	Certified Psychologist Licenses
	Certification and license application and renewal fees collected for psychologist health care professionals. (chapter 18.83 RCW)
0220	Charitable Funds Solicitation
	Fees collected from charitable organizations including original registration, late fees, etc. (chapter 19.09 RCW)

Code	Title
0221	Cigarette Fees and Licenses Licenses and fees collected from businesses engaged in the wholesale and retail sale of cigarettes and other tobacco products. (chapter 82.24 RCW)
0222	Commercial Driver Schools Fees collected to license and regulate persons or business engaged in providing traffic safety education programs to the public. (chapter 46.82 RCW)
0223	Contractors Registration Licenses and fees collected from businesses selling building construction related services of the construction trades as contractors and sub-contractors. (chapter 18.27 RCW)
0224	Collection Agencies Fees collected to license and regulate persons or businesses engaged in soliciting claims or collecting debts for another. (chapter 19.16 RCW)
0225	Burning Permit Fees Fees collected from landowners for various types of permits to allow burning on property. (chapter 70.94 RCW)
0226	Corporation Licenses and Fees Fees collected from corporations including original application fees, renewal fees, business filing fees, digital signature fees, late fees, etc. (chapter 23B.01 RCW)
0227	Marijuana Licenses and Fees Licenses and fees collected from producers, processors and retailers engaged in the wholesale and retail sale of marijuana, useable marijuana and marijuana-infused products. (RCW 69.50.325)
0229	Electrical Licenses Licenses and fees collected from individuals performing as electricians in the installing of electrical components in the building and construction industry. (chapter 19.28 RCW)

Code	Title
0231	Employment Agency Licenses
	Fees collected to license and regulate persons or businesses engaged in obtaining employment for job seeker where the job seeker pays a fee. (chapter 19.31 RCW)
0232	Engineering and Surveying Licenses
	Fees collected to license and regulate persons or businesses engaged in providing engineering or land surveying services. (chapter 18.43 RCW)
0233	Farm Labor Licenses
	Licenses and fees collected from farm related businesses who hire migrant farm labor. (chapter 19.30 RCW)
0234	Educational Institutions Registration Fees
	Application and renewal fees collected from colleges and universities which fall under the Degree-Granting Institutions Act. (RCW 28B.85.060)
0236	Firearms Licenses, Fees, and Permits
	Fee collected to license firearms dealers and those persons applying for concealed weapons permits. (chapter 9.41 RCW)
0237	Commercial Fishing Licenses
	License fees collected from individuals and businesses for commercial salmon gear, salmon waivers, charter licenses, other commercial food fish gear, hard-shell clam mechanical harvester gear, shellfish fisheries gear, wholesale fish dealers, and other food fish and shellfish commercial licenses. (chapters 77.65 and 77.70 RCW)
0238	Franchise Licenses
	Fees from securities registration and notification filing fees.
0240	Funeral Licenses
	Fees collected to license and regulate the handling of human remains, embalmers, funeral directors and funeral establishments. (chapter 18.39 RCW)

Code	Title
0242	Health Fees and Licenses
	Certification and license application and renewal fess collected for mental health providers, child care providers, chemical dependency treatment service programs and massage therapist health care professionals. (chapters 70.96A, 71.24, and 74.15 RCW)
0244	Horse Racing Licenses and Fees
	Licenses and other fees collected by the Washington Horse Racing Commission. (chapter 67.16 RCW)
0245	Hunting and Fishing Licenses
	License fees collected from individuals for recreational fishing, big game hunting and small game hunting. (chapter 77.32 RCW)
0246	Insurance Licenses and Fees
	Licenses, appointment, renewal and related fees collected from insurance agents and brokers. (chapter 48.17 RCW)
0248	Liquid Fuel Licenses
	Special fuel trip permit filing fees. (RCW 82.38.100)
0249	Landscape Architects
	Fees collected to license and regulate persons or businesses engaged in providing landscape architectural services. (chapter 18.96 RCW)
0250	Fireworks Licenses
	Fees collected to license the manufacture, transportation, display and sale of fireworks. (chapter 70.77 RCW)
0251	Dental Licenses
	Certification and license application and renewal fees collected for various dental health care professionals. (chapters 18.29, 18.30, and 18.32 RCW)
0252	Medical Licenses
	Certification and license application and renewal fees collected for various medical health care professionals.

Code	Title
0253	Motor Vehicle Licenses
	Fees collected for the registration of motor vehicles, carrier terminal audit registration for trucks and emission testing. (RCW 43.21A.650, 46, 680.030, 70.120.170, 79A.08.089, and 81.80.321.
0254	Motor Vehicle Operator Licenses
	Fees collected from those applying for or renewing drivers' licenses and personal identification cards. (chapter 46.20 RCW)
0255	Automobile Sales Licenses
	Fees collected to license and regulate persons or businesses engaged in the sale or auction of motor vehicles, motor homes, mobile homes and trailers. (chapter 46.70 RCW)
0256	Notary Fees and Commission of Deeds
	Fees collected to license persons engaged in administering oaths or affirmations, witnessing signatures, authenticating documents, or any other act a notary of this state is authorized to perform. (RCW 42.44.010)
0258	Registered and Licensed Practical Nurse Licenses
	Certification and license application and renewal fees collected for various registered nurse and licensed practical nurse health care professionals. (RCW 18.79.030)
0260	Optician Licenses
	Certification and license application and renewal fees collected for optician health care professionals. (chapters 18.53 and 81.54 RCW)
0261	Optometrist Licenses
	Certification and license application and renewal fees collected for optometrist health care professionals. (chapters 18.53 and 81.54 RCW)
0262	Pharmacy Licenses
	Certification and license application and renewal fees collected for pharmacy health care professionals. (chapter 18.64 RCW)

Code	Title
0263	Puget Sound Pilot Licenses Fees collected from Puget Sound and Grays Harbor licensed pilots for initial license and annual license renewals, and stipends collected for the pilot trainee program. (RCW 88.16.090)
0264	Nursing Home Administrative Licenses Certification and license application and renewal fees collected for nursing home administrator health care professionals. (chapter 18.52 RCW)
0266	Power Licenses Annual fees collected from operators of hydropower facilities. (chapter 90.16 RCW)
0267	Real Estate Excise Tax Transaction Fees Fee collected on real estate excise tax transactions in Washington. (chapter 82.45 RCW)
0268	Public Utilities Regulatory Fees Regulatory fees charged to utility companies. (chapter 80.24 RCW)
0270	Real Estate Licenses Fees collected to license and regulate persons or businesses engaged in negotiating, buying, selling or leasing real estate on behalf of others. (chapter 18.85 RCW)
0271	Sewage Treatment Plant Operator Licenses Fees collected for the certification and testing of sewage plant operators. (chapter 70.95B RCW)
0272	Safety Inspection Licenses and Fees Licenses and fees collected from individuals and businesses in the operation of specialized equipment or practices in buildings and building related constructions industry such as explosives, elevators, mobile homes, amusement rides, factory built housing, commercial coaches, pressure vessels, asbestos, and plumbers.

Code	Title
0274	Credit Union Licenses and Fees
	Assessment fees billed to credit unions licensed in Washington.
0275	Ocularist Licenses
	Certification and license application and renewal fees collected for ocularist health care professionals. (chapter 18.55 RCW)
0276	Forest Practices Permit Fees
	Fees for forest practice applications collected from landowners and timber companies, and county forest practice fees for moratorium recording. (chapter 76.09 RCW)
0277	Securities Licenses, Permits, and Fees
	Fees collected for licensing securities broker-dealers and investment advisors as well as a variety of filings such as franchise and business opportunity filings.
0278	Occupational Therapist Licenses
	Certification and license application and renewal fees collected for occupational health care professionals. (RCW 18.59.050)
0279	Vessel Registration Fees
	Fees collected from the registration of vessels used in the state and exemption fees collected from foreign vessels that request to be exempt from pilotage. (chapter 79.100 RCW)
0281	Sellers of Travel
	Fees collected to license persons or businesses engaged in negotiating, buying, selling or leasing travel accommodations. (chapter 19.138 RCW)
0283	Veterinarian Licenses
	Certification and license application and renewal fees collected for various veterinarian health care professionals. (RCW 18.92.140)

Code	Title
0285	Water Resources Fees
	Fees collected for planning, review and inspection of hydraulic works to assure safety; and fees for processing water rights applications, permits, certificates, extensions, protests and recording. (chapter 90.03 RCW)
0286	Water Quality Fees
	Fees collected for wastewater discharge to fund the administration of the waste water permit program. (RCW 90.48.465)
0287	Well Construction and Licensing
	Fees collected for well construction and for well operator licenses. (chapter 18.104 RCW)
0290	Log Patrol Licenses
	Fees collected for log brands, log brand books and log patrol licenses from timber companies. (chapter 76.36 RCW)
0291	Marriage Licenses
	Fees collected for the issuance of marriage licenses. (RCW 36.18.010(5))
0292	Business License Fees
	Fees collected for filing of master license applications, renewals or late fees. (RCW 19.02.085)
0294	Hazardous Waste Fees
	Fees collected from hazardous waste generators to fund hazardous waste and toxics reduction programs as well as fees collected from the U.S. Department of Energy and facilities that dispose of mixed waste. (chapters 70.95E, 70.105, and 43.200 RCW)
0295	Certified Acupuncturist Licenses
	Certification and license application and renewal fees collected for acupuncture health care professionals. (chapter 18.06 RCW)
0296	Replacement Tire Fee
	Fee charged on the retail sale of new tires. (RCW 70.95.510)

Code	Title
0297	Boating Safety Distributions
	Distributions to local governments of boating safety funds. (RCW 88.02.650)
0298	Alcohol Beverage License Fees Distributions
	Distributions of license fees to the University of Washington and Washington State University. (RCW 66.08.180)
0299	Other Licenses, Permits, and Fees
	All other licenses, permits and fees collected without specific revenue source coding assigned to them.
	0300 - Federal Revenue
	Revenue that the state receives from the federal government under grant and similar agreements where the state is required to expend the revenue in accordance with federal program specifications. It also includes revenues associated with expenditures that are fully reimbursed by the federal government.
0301	African Development Foundation
0303	Institute of Museum Services
0304	Inter-American Foundation
0305	National Endowment for the Arts
0306	National Endowment for the Humanities
0307	Office of National Drug Control Policies
0308	Peace Corps
0309	Legal Services Corporation
0310	Department of Agriculture
	Federal revenue received from the Department of Agriculture to fund school breakfast and lunch programs, food stamp program, summer food service program, and nutrition program for women, infants, and children.
0311	Department of Commerce
	Federal revenue received from the Department of Commerce to fund the establishment of university marine research and to assist in salmon restoration.

Code	Title
0312	Department of Defense
	Federal revenue received from the Department of Defense to fund National Guard operations and to support basic research for military operations.
0313	Central Intelligence Agency
0314	Department of Housing and Urban Development
	Federal revenue received from the Department of Housing and Urban Development to help expand the supply of affordable housing for persons of low and moderate income.
0315	Department of the Interior
	Federal revenue received from the Department of the Interior to develop and implement programs for the benefit of wildlife and their habitat.
0316	Department of Justice
	Federal revenue received from the Department of Justice to support criminal justice and victims of crime programs.
0317	Department of Labor
	Federal revenue received from the Department of Labor to fund the Unemployment Insurance program and to improve the quality of the workforce by providing workforce investment activities.
0319	Department of State
0320	Department of Transportation
	Federal revenue received from the Department of Transportation to fund highway planning and construction programs.
0321	Department of the Treasury
0323	Appalachian Regional Commission
0327	Office of Personnel Management
0329	Commission on Civil Rights
0330	Equal Employment Opportunity Commission
0332	Federal Communications Commission
0333	Federal Maritime Commission
0334	Federal Mediation and Conciliation Service

Code	Title
0339	General Services Administration
	Federal revenue received from the General Services Administration primarily to fund election reform.
0340	Government Printing Office
0342	Library of Congress
0343	National Aeronautics and Space Administration
0344	National Credit Union Administration
0346	National Labor Relations Board
0347	National Science Foundation
	Federal revenue received from the National Science Foundation to encourage and support basic research in the education, science, and computer and information science areas.
0355	Federal Revenue - Non-Assistance
	Receipts from a federal agency when a state agency provides vendor services and the related expenditures are charged to a federal expenditure authority code, or, other receipts from federal agencies that are not classified as federal assistance, even though the related expenditures are charged to federal expenditure authority codes. Revenue Source Code 0355 facilitates the matching of federal revenues and expenditures for budget purposes.
0357	Railroad Retirement Board
0358	Securities and Exchange Commission
0359	Small Business Administration
0360	Smithsonian Institution
0361	International Trade Commission
0362	Tennessee Valley Authority
0364	Veterans Administration
0366	Environmental Protection Agency
	Federal revenue received from the Environmental Protection Agency to finance the costs of drinking water infrastructure and water quality management activities.
0368	National Gallery of Art
0370	Overseas Private Investment Corporation
0377	Nuclear Regulatory Commission
0378	Commodity Futures Trading Commission

Code	Title
0381	Department of Energy
0383	Federal Emergency Management Agency
0384	Department of Education
	Federal revenue received from the Department of Education to fund special education, Title I, Pell grant, and other programs in support of Washington's schools.
0385	Scholarship and Fellowship Foundations
0386	Pension Benefit Guaranty Corporation
0387	Consumer Product Safety Commission
0388	Architectural and Transportation Barriers Compliance Board
0389	National Archives and Records Administration
0390	Miscellaneous Commissions
0391	United States Institute of Peace
0392	National Council on Disability
0393	Department of Health and Human Services
	Federal revenue received from the Department of Health and Human Services to fund the medical assistance program (Medicaid, Title XIX), research grants, and other social and health service programs in Washington.
0394	Corporation for National and Community Service
0396	Social Security Administration
	Federal revenue received from the Social Security Administration to fund the social security disability insurance program.
0397	Homeland Security
	Federal revenue received from Homeland Security to fund emergency preparedness including emergency equipment, planning and training, and surveying critical infrastructure.
0398	US Agency for International Development
0399	Federal Assistance - Miscellaneous
03DS	Federal Revenue Distributions (State Treasurer Only)
	Distributions of reportable federal revenues that must be reported as expenditures on the Schedule of Expenditures of Federal Awards.

Code	Title
	0400 - State Charges and Miscellaneous Revenue
	Revenue that the state receives from individuals, organizations, businesses and other governments for goods and services in conjunction with state- sponsored programs.
0401	Investment Income
	Earnings on deposits and investments. Investment earnings may also be coded by specific type for example dividend income (Revenue Source Code 0411), and capital gains and losses (Revenue Source Code 0413). Costs of investment activities are recorded in Revenue Source Code 0473.
0402	Income from Property
	Revenues from rentals/leases of state owned land, facilities and equipment. Examples include: sales of parking permits; right of way or easement charges; rental/lease of commercial and non-commercial land and buildings; advertising and communication site leases; and rental of equipment including motor pool rentals.
0404	Cost of Supervision Assessment Fee
	Fees assessed on offenders under community supervision by the Department of Corrections. (RCWs 72.11.040 and 9.94A.780)
0405	Fines, Forfeits and Seizures
	Amounts collected as penalties for an offense or breach of contract. Also includes the state's share of federal property seizures. Examples include toll violations, library fines, and assessments for late payments.
	Does not include penalty assessments for crime victims' compensation which are recorded in Revenue Source Code 0417.
0406	Litter Control Revenue
	Fee levied on the value of various products manufactured and sold within the state including but not limited to, groceries, newspapers, and food for human or pet consumption. (chapter 82.19 RCW)
0407	Patient Care
	Medical and dental co-pays collected from inmates of state correctional facilities.

Code	Title
0409	Interest Income
	Interest earned unrelated to investing activities. Examples include interest on property sales agreements, past due accounts receivable, and loan agreements.
0410	Unclaimed Monies
	Amounts received by the Department of Revenue as unclaimed property under the Uniform Unclaimed Property Act. (chapter 63.29 RCW)
0411	Dividend Income
	Income to shareholders derived from a division of a company's profits. Dividends may be in the form of cash, stock or property.
0413	Capital Gains and Losses
	Gains and losses resulting when the value of an investment asset, for example stocks, bonds, mutual funds, or real estate, is more or less than its carrying cost (book value). Capital gains and losses may be realized or unrealized.
0415	Sale of Property - Timber
	Revenues resulting from the following activities on state-owned land: timber contract sales, including settlement of defaulted contracts and other related timber contract fees; contract harvesting and other log sales; and damaged timber sales.
0416	Sale of Property - Other
	Proceeds from the sale or disposal of property, consumable supplies, materials, and products in governmental type accounts. Property includes land, buildings, equipment, salvage, intangible property (such as, right-of-ways and royalties), sand and gravel, and nursery seedlings.
	Does not include property sales in the normal course of business by a proprietary type account.
0417	Victims of Crime Compensation
	Penalties assessed against criminal offenders for assistance to crime victims. (chapter 7.68 RCW)

Code	Title
0418	Gain or Loss On Sale of Capital Assets
	The gain or loss on the sale or disposal of a capital asset in a proprietary type account. The gain or loss is calculated by subtracting the remaining book value (original cost less accumulated depreciation) from the proceeds from the sale.
0420	Charges For Services
	Amounts collected in the course of regular business for sales of services. Examples include charges for administering local tax collection, fees for processing applications, fees for administrative hearings, and charges for equipment repair.
0421	Publications and Documents
	Revenue received from the sale of paper and electronic publications and documents. Examples include state produced publications, manuals, and documents such as, maps, laws, rules, guides, photos.
0423	Room, Board and Meals
	Revenues received by the state for room, board, and meals associated with the operation of a state program. Examples include housing and dining revenues at higher education institutions and amounts paid by or on behalf of inmates of state correctional facilities towards costs of room and board.
	Does not include room and board for residents of state veterans' homes or Department of Social and Health Services' institutions/facilities which are recorded to Revenue Source Code 0523.
0424	Tuition and Fees
	Tuition collected for main and extension campuses for residents and non-residents, part time and full time students, and staff and student tuition waivers. Legislatively established tuition covers operating, building, and student and activity fees. Note: Only operating fees as defined in RCW 28B.15.031 are to be deposited in Account 149.
0425	Filing Fees and Legal Services
	Fees collected for filing, recording, registering, or archiving instruments or documents that (1) have or serve a legal or official function or (2) do not include a license or permit being issued. Also includes fees collected by county auditors or recording officers for their official services (RCW 36.22.175 (1), and charges for legal services related to filing documents or establishing a fee.

Code	Title
0427	Property and Resources Management Fees collected for property and resources management to include such things as fire suppression, road maintenance, land assessments, and surveillance and maintenance of low level radioactive materials disposal.
0430	Dedicated Student Fees Fees collected that are dedicated to the support of specific courses or activities. Examples include lab fees, fees for continuing education programs, health fees, athletic and recreation center fees, technology fees, and renewable energy fees.
0434	Hazardous Waste Cleanup Recoveries Amounts collected by the Department of Ecology for mandatory and voluntary cleanup of hazardous waste cleanup activities, clean up of oil and non-oil spills and environmental restoration.
0440	Indirect Cost Reimbursement To record indirect cost reimbursement associated with grants, contracts and other agreements.
0441	Contributions and Grants Contributions and grants received by the state that are not restricted by contract or grant. Amounts received may be expended for or by the account/program receiving the monies for the purposes for which the monies were given.
0444	Grant Repayments Amounts collected as repayments of loan principal associated with a loan made under a federal or state loan program or other budgeted loan.
0445	Unemployment Compensation Reimbursement Reimbursement for unemployment benefits paid in-lieu of taxes of received from state agencies. (RCW 50.44.060)
0447	Health Benefit Payments Subsidy reimbursement and rebate payments received for health benefits. Not considered federal revenue.

Code	Title
0448	Statewide Indirect Cost Recoveries Any indirect costs or cost allocation amounts recovered as a result of the inclusion of the Statewide Cost Allocation Plan (SWCAP) allocation in an agency's indirect rate or cost allocation plan. Amounts recovered by an agency are to be deposited into the General Fund.
0450	Sales of Goods and Supplies - Proprietary Funds To record the sale of merchandise purchased for resale. This revenue source must be used when expenses are recorded to cost of goods sold (Object F).
0458	Public Facilities District Payment To record annual payment received as required by RCW 36.100.040.
0470	Judicial Information System Fees Fees collected for access to the Judicial Information System administered by the court system for non-court in-state and all out-of-state users. (RCW 2.68.020)
0471	Unemployment Compensation Contributions Unemployment benefit contributions received from employers. (RCW 50.24.010)
0472	Workers' Compensation Contributions Premiums paid by Washington employers and employees for workers' compensation insurance. (RCW 51.32.073)
0473	Costs of Investment Activities Investment fees and expenses paid to external sources such as banks and other financing institutions for investment activities and securities lending transactions. Fees include external management fees, commissions, consultant fees, legal fees and other investment management related expenses paid to external sources. This source code should have a net debit balance.
0477	Lottery Ticket Proceeds Amounts received from the sales of lottery tickets. (RCW 67.70.230)

Code	Title
0478	Lottery Ticket Returns Retailer adjustments against lottery ticket sales. Examples include misprinted tickets, torn tickets, promotional tickets and returned tickets. (RCW 67.70.230)
0484	LCB State Excess Profit Distributions Amounts received by the Liquor Control Board and distributed to various funds as prescribed by law. Does not include amounts classified as Beer or Wine Taxes. (chapters 66.08 and 82.08 RCW)
0485	Immaterial Prior Period Adjustments Immaterial corrections related to prior period activity. Generally, only credits are allowed; debits require the approval of the agency's OFM Accounting Consultant. Only used with General Ledger code 3215 "Immaterial Adjustments to Prior Periods." Refer to Subsection 90.20.15.e.
0486	Recoveries of Prior Expenditure Authority Expenditures Receipt of cash/vendor credit for the recovery of an expenditure/expense charged to a prior period. Also used to record the liquidation of over-estimated accrued expenditures/expenses from a prior period when it is expected that no further payments will be made. Generally, only credits are allowed; debits require approval of the agency's OFM Accounting Consultant. Refer to Subsection 90.20.45.
0487	Recoveries of Student Financial Aid Expenditures Recoveries of overpayments to schools or individuals of state need grant funds.
0489	Amortization The increase or decrease of non-cash changes in the fair value of investments. Only use with GL 3220 "Noncash Revenues."
0490	Cash Over and Short Amounts of cash over or short for a cash deposit, required to make the deposit equal the source document total.

Code	Title
0492	Autopsy Cost Reimbursements
	Amounts distributed to counties to reimburse for autopsy costs. (RCW 68.50.104)
0493	Aquatic Lands Distributions
	Amounts distributed to towns from harbor area and tideland leases. Amounts distributed must be used for water-related improvements. (RCW 79.115.150)
0494	Impaired Driving Safety Distributions
	Amounts distributed to cities, towns, and counties for projects related to reducing impaired driving. (RCWs 46.68.260 and 82.14.320.)
0496	Insurance Premiums
	Amounts collected by the Department of Enterprise Services, Office of Risk Management from state agencies for coverage in the state's liability program. Also includes premiums for active employees collected by Health Care Authority for medical, dental, life, and long-term disability insurance.
0497	Charges For Transportation Services
	Revenues collected for transportation services to include such things as ferry services, toll revenue, and transponder sales.
0498	Tort Claim Reimbursement
	Reimbursements to the state for tort claim damages - for example, damages to property and lost revenues - caused by third parties.
0499	Other Revenue
	Revenue that the state receives from individuals, organizations, businesses and other governments for goods and services in conjunction with state sponsored programs without specific revenue source coding assigned to them. Examples include industrial insurance refunds, miscellaneous student services, and photocopying.
04DS	Unclaimed Property Distributions
	To record funds distributed by the Department of Revenue to owners, property reported under the Uniform Unclaimed Property Act. (chapter 63.29 RCW)

Code	Title
	0500 - Private/Local Charges and Miscellaneous Revenue
	Resources provided to the state by nonfederal sources such as private individuals, local governments, commercial enterprises, and foundations that are restricted by contract or agreement. It also includes revenues associated with expenditures that are fully reimbursed by private/local sources.
0523	Board, Room, and Meals
	Revenue received from residents, hospice care organizations and family members of residents of Veterans' Homes for their portion of the room, board and meal expenses. Also includes revenue for room, board, and meals received on behalf of residents at Department of Social and Health Services' institutions/facilities. Does not include room, board, and meals associated with the operation of a state program which are recorded to Revenue Source Code 0423.
0535	Energy Facility Application and Monitoring Fees
	Revenue received by the Energy Facility Site Evaluation Council for the evaluation, licensing and monitoring of major energy facilities in Washington. (chapter 80.50 RCW)
0541	Private/Local Contributions and Grants
	Contributions and grants from nonfederal sources external to the state. Similar to federal grants, the expenditure of these private/local contribution and grant revenues are restricted by contract or agreement.
0546	Federal Revenue - Pass Through
	Federal revenue received from other state governments, local governments or private entities.
0597	Reimbursable Contracts
	Revenue received pursuant to reimbursable contracts with private/local organizations including non-profit organizations, counties, cities, school districts, transit authorities and other states.
	0600 - Transfers
	Amounts transferred by state agencies to other accounts and/or agencies; including treasurer's transfers of resources collected by one state agency/account to the agency/account that expends the resources.

Code	Title
0611	Bond Transfers In
	Transfers of bond proceeds to an account as specified by law.
0612	Bond Transfers Out
	Transfers of bond proceeds from an account as specified by law.
0621	Operating Transfers In
	Transfers of revenue to one account from another without a requirement for repayment (this is the positive revenue). Generally, operating transfers in and out (Revenue Source Codes 0621 and 0622) net to zero at the agency level.
0622	Operating Transfers Out
	Transfers of revenues from one account to another without equivalent flows of assets in return (this is the negative revenue). Generally, operating transfers in and out (Revenue Source Codes 0621 and 0622) net to zero at the agency level.
0623	Investment Administration Transfers
	Transfers of revenue from various accounts managed by the State Investment Board (SIB) to the State Investment Board Expense Account (Account 031) as needed to cover the operating expenses of SIB. (RCW 43.33A.160) (SIB Only)
0626	Noncash Revenue Transfers - Compensation
	Transfers of revenue between operating accounts (other than the General Fund) and non cash Special Account Retirement Contribution Increase Revolving Account (Account 427) or the Salary and Insurance Increase Revolving Account (Account 406).
0627	Noncash Revenue Transfers - Other
	Transfers of resources other than cash.
0633	Timber Tax Transfer
	Transfers of timber tax collected on behalf of the state from the Timber Tax Distribution Account (Account 02W) to the General Fund. (RCW 84.33.041)

Code	Title
0634	Streamlined Sales and Use Tax Mitigation Transfer Transfers from the General Fund to the Streamlined Sales and Use Tax Mitigation Account (Account 14L) to mitigate local sales tax revenue net losses as a result of the sourcing provisions of the streamlined sales and use tax agreement. (RCW 82.14.500)
0635	Air Pollution Control (Ride Share) Transfer Transfers between the Air Pollution Control Account (Account 216) and the General Fund.
0636	State Treasurer's Service Account Transfer Transfers from the State Treasurer's Service Account (Account 404) to the General Fund.
0637	Liquor Excise Tax Account Transfer Transfers of liquor excise taxes from the Liquor Excise Tax Account (Account 107) to the Liquor Revolving Account and the General Fund. (RCW 82.08.170)
0638	General Fund and Basic Health Plan Trust Account Transfer - Marijuana Revenues Transfers of marijuana revenues from the Dedicated Marijuana Account (Account 315) to the General Fund and the Basic Health Plan Trust Account. (RCWs 69.50.540(2)(d) and 69.50.540(5)(g))
0639	Electric Vehicle Sales Tax Exemption Transfer Transfers from the Multimodal Transportation Account to the General Fund. (RCW 82.08.809)
0640	Washington Opportunity Pathways Account Transfer - Lottery Revenues Transfers of lottery revenues from the State Lottery Account (Account 577) and the Shared Game Lottery Account (Account 433) to the Washington Opportunity Pathways Account (Account 17F). (RCWs 67.70.240(1)(c) and 67.70.340(1) and (2))
0641	Stadium & Exhibition Account Transfer - Lottery Revenues Transfers of lottery revenues from the State Lottery Account (Account 577) to Stadium and Exhibition Center Account (Account 816). (RCW 67.7.240(5))

Code	Title
0642	Student Achievement Account Transfer - Lottery Revenues Transfers of lottery revenues from the State Lottery Account (Account 577) and the Shared Game Lottery Account (Account 433) to the Student Achievement Account (Account 299). (RCW 67.70.240(3); 67.70.340(1) and (2))
0643	Education Construction Account Transfer - Lottery Revenues Transfers of lottery revenues from the State Lottery Account (Account 577) and the Shared Game Lottery Account (Account 433) to the Education Construction Account (Account 253). (RCW 67.70.240(3); 67.70.340(1) and (2))
0644	General Fund Transfer - Lottery Revenues Transfers of lottery revenues from the Shared Game Lottery Account (Account 433) to the General Fund. (RCW 67.70.340(4))
0645	Budget Stabilization Transfer Transfers from the General Fund to the Budget Stabilization Account (Account 14B). (RCW 43.79.495)
0647	Child and Family Reinvestment Account Transfer Transfers from the General Fund to the Child and Family Reinvestment Account (Account 18T). (RCW 74.13.107)
0648	Commute Trip Reduction Transfer Transfers from the Multimodal Transportation Account (Account 218) to the General Fund to reimburse the General Fund for tax credits provided to businesses participating in the commute trip reduction program. (RCW 82.70.040)
0649	Unclaimed Property Transfer Transfers of unclaimed property between the Unclaimed Personal Property Account (Account 196) and the General Fund. (RCW 63.29.230)
0651	Flood Control Transfer Transfers from the General Fund to the Flood Control Assistance Account (Account 02P). (RCW 86.26.007)

Code	Title
0653	Columbia River Water Delivery Transfer
	Transfers from the General Fund to the Columbia River Water Delivery Account (Account 15K). (chapter 90.90 RCW)
0654	County Criminal Justice Transfer
	Transfers from the General Fund to the County Criminal Justice Assistance Account (Account 03L). (RCW 82.14.310)
0655	Municipal Criminal Justice Transfer
	Transfers from the General Fund to the Municipal Criminal Justice Assistance Account (Account 03M). (RCW 82.14.320/330)
0657	Criminal Justice Treatment Transfer
	Transfers from the General Fund to the Criminal Justice Treatment Account (Account 05C). (RCW 70.96A.350(4)(a))
0659	Site Closure Account Transfer
	Transfers from the Perpetual Surveillance and Maintenance Account (Account 500). (RCW 43.200.080)
0663	Recreation Access Pass Transfer
	Transfers of the proceeds from the sale of discover passes and day-use permits from the Recreation Access Pass Account (Account 237) to the State Wildlife Account (Account 104), the Park Land Trust Revolving Account (Account 087), and the Parks Renewal and Stewardship Account (Account 269). (2SSB 5622)
0664	Clean Alternative Fuel Commercial Vehicle Tax Credit Transfer
	Transfers from the Multimodal Transportation Account (Account 218) to the General Fund. (RCW 82.04.4496 and 82.16.0496).
0666	Fair Account Transfer
	Transfers from the General Fund to the Fair Account (Account 131). (RCW 15.76.115)

Code	Title
0667	Initiative 773 Transfers Transfers of cigarette and tobacco products taxes from the Health Services Account (Account 760) to the Violence Reduction and Drug Enforcement Account (Account 181), Water Quality Account (Account 139), and Tobacco Prevention and Control Account (Account 828) as required by Initiative 773. (RCW 43.72.900(2)(a), 3(a), & 3(c))
0668	Education Savings Account Transfer Transfers from the Education Savings Account (Account 291) to the Washington Distinguished Professorship Trust Account (Account 653), the Washington Graduate Fellowship Trust Account (Account 534), College Faculty Awards Trust Account (Account 743), and the Common School Construction Account (Account 113). (RCW 43.79.465)
0677	Agency Incentive Savings Transfers In Transfers to the Savings Incentive Account (Account 290) of half of the dollar value of certain General Fund state appropriations that are unspent as of June 30. The transfers are made to the credit of the individual state agencies that achieved the savings. (RCW 43.79.460) (OFM Only)
0678	Equity Transfers In Transfers of assets into an account normally associated with the creation of the account or the close-out of another account. Generally, equity transfers in and out (Revenue Source Codes 0678 and 0679) must net to zero at the agency level.
0679	Equity Transfers Out Transfers of assets out of an account normally associated with the closure of the account. Generally, equity transfers in and out (Revenue Source Codes 0678 and 0679) must net to zero at the agency level.
0680	Pension Benefit Reserves Transfers In Transfers between reserve balances within the same pension plan. Employee contributions are accumulated in the member reserves of the plan to which the employee belongs, until retirement or withdrawal. Upon retirement, these accumulated contributions are transferred into the larger benefit reserves pool of the same plan to initiate the monthly pension benefit payment process. (DRS Only)

Code	Title
0681	Pension Benefit Reserves Transfers Out Transfers between reserve balances within the same pension plan. Employee contributions are accumulated in the member reserves of the plan to which the employee belongs, until retirement or withdrawal. Upon retirement, these accumulated contributions are transferred into the larger benefit reserves pool of the same plan to initiate the monthly pension benefit payment process.(DRS Only)
0683	Retirement System Transfer Transfers of amounts not needed for administration from the Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account (Account 204) to the Volunteer Firefighters' and Reserve Officers' Relief and Pension Principal Account (Account 614). (RCW 41.24.030) (BVFFRO Only)
0688	UW Internal Lending Program Transfers Transfers of monies to record the Internal Lending Program activity between governmental, enterprise and internal service accounts. (University of Washington only)
0689	Operating Transfers - Toll Charges Transfers of toll revenues from a toll collecting account to another account to facilitate the payment of debt service.
0690	Special Transfers Statewide transfers from dedicated accounts and other accounts for special litigation or budget purposes.
0693	Operating Transfers - Debt Service Transfer of monies between accounts to facilitate the payment of debt service as specified by law.
0694	Operating Transfers - Debt Service Reimbursements Transfer of monies from accounts designated by the legislature to reimburse the General Fund for the payment of debt service.

Code	Title
0696	Operating Transfers - Motor Fuel Taxes
	Transfer of motor vehicle fuel taxes from various transportation accounts (including the Motor Vehicle Account (Account 108), Transportation Partnership Account (Account 09H), Puget Sound Capital Construction Account (Account 099), Transportation 2003 (Nickel) Account (Account 550) to transportation debt service funds (including the Highway Bond Retirement Account (Account 303), Ferry Bond Retirement Account (Account 304) and the Transportation Improvement Bond Retirement Account (Account 305).
	0800 - Other Revenues and Financing Sources
	Other revenues and financing sources not recorded elsewhere including those associated with debt financing activities, resources supporting trust activities, and certain noncash activities, such as receipt of donated commodities.
0802	Employer Pension Contributions
	Contributions received from employers of members enrolled in state administered pension plans.
0803	Employee Pension Contributions
	Contributions received from employees enrolled in state administered pension plans.
0804	State Pension Contributions
	Contributions received from the General Fund to support state administered pension plans.
0807	Certificates of Participation
	Resources provided by the through the issuance of certificates of participation by the Office of the State Treasurer that are used to finance real estate acquisition, construction and renovation and equipment acquisition.
0809	Capital Leases
	Resources provided through a capital lease agreement used to finance capital acquisitions.

Code	Title
0820	Capital Contributions
	Intra-state contributions of capital assets received by a proprietary fund type account.
0825	Pool Participant Contributions
	Contributions received from participant members of the Deferred Compensation Plan and the Local Government Investment Pool (LGIP). (DRS and OST use only)
0850	Payments to Escrow Agents for Refunded COPs
	Amounts sent to an Escrow Agent to refund (defease) a COP issue.
0851	Original Issue Discount - Refunding COPs
	Discount associated with the issuance of refunding COPs. Refunding COPs are sold at a discount when the stated interest rate on the COPs is less than the market rate of interest for similar securities when the COPs are sold.
0852	Underwriters Discount / Costs of Issuance - Refunding COPs
	COP sale expenses associated with the issuance of refunding COPs, specifically, the underwriters discount and cost of issuance expenses.
0853	Original Issue Premium - Refunding COPs
	Premium associated with the issuance of refunding COPs. Refunding COPs are sold at a premium when the stated interest rate on the COPs is more than the market rate of interest for similar securities when the COPs are sold.
0854	Refunding COPs Issued
	Amount of the total par or face value of refunding COPs.
0855	Payments to Escrow Agents for Refunded Bonds
	Amounts sent to an Escrow Agent to refund (defease) a bond issue.
0856	Original Issue Discount - Refunding Bonds
	Discount associated with the issuance of refunding bonds. Refunding bonds are sold at a discount when the stated interest rate on the bonds is less than the market rate of interest for similar securities when the bonds are sold.

Code	Title
0857	Underwriters Discount/Costs of Issuance - Refunding Bonds Bond sale expenses associated with the issuance of refunding bonds, specifically, the underwriters discount and cost of issuance expenses.
0858	Original Issue Premium - Refunding Bonds Premium associated with the issuance of refunding bonds. Refunding bonds are sold at a premium when the stated interest rate on the bonds is more than the market rate of interest for similar securities when the bonds are sold.
0859	Refunding Bonds Issued Amount of the total par or face value of refunding bonds.
0860	Bonds Issued Amount of the total par or face value of all tax-exempt bonds, except refunding bonds.
0862	Original Issue Discount - Bonds Discount associated with the issuance of all bonds, except refunding bonds. Bonds are sold at a discount when the stated interest rate is less than the market rate of interest for similar securities when the debt is sold.
0863	Original Issue Premium - Bonds Premium associated with the issuance of all bonds except refunding bonds. Bonds are sold at a premium when the stated interest rate is more than the market rate of interest for similar securities when the debt is sold.
0864	Taxable Bonds Issued Amount of the total par or face value of taxable bonds issued.
0865	Note Proceeds Amount of the total par or face value of notes issued.
0866	Loan Principal Repayment Amounts received to repay the principal amount of loans issued by a state agency.

Code	Title
0868	Original Issue Discount - COPs
	Discount associated with the issuance of all COPs, except refunding COPs. COPs are sold at a discount when the stated interest rate is less than the market rate of interest for similar securities when the debt is sold.
0869	Original Issue Premium - COPs
	Premium associated with the issuance of all COPs except refunding COPs. COPs are sold at a premium when the stated interest rate is more than the market rate of interest for similar securities when the debt is sold.
0871	Special Items
	Significant items, subject to management's control, that are either 1) unusual in nature or 2) infrequent in occurrence. (OFM only)
0872	Extraordinary Items
	Extraordinary items are both 1) unusual in nature and 2) infrequent in occurrence. (OFM only)
	0900 - Non-Revenue Activities*
	Amounts related to various suspense codes that must be adjusted to zero at year-end.
0901	Interagency Reimbursements
	Amounts received from another agency to reimburse for expenditures that cannot immediately be allocated to the proper expenditure coding.
0902	Recoveries of Current Expenditure Authority Expenditures
	Amounts received from a non-state entity to reimburse for expenditures that cannot immediately be allocated to the proper expenditure coding.
0920	Items Placed in Suspense
	Amounts received by an agency that are identifiable by account, but cannot be immediately allocated to the proper revenue source coding.

Code	Title
0921	Rental Excise Tax Suspense
	Rental taxes received by an agency pending remittance to the Department of Revenue.
0925	Undistributed Receipts
	Amounts received for which the correct coding is pending determination.
0940	Deposit Adjustments and Returned Checks
	Amounts due to an agency related to deposit adjustments or NSF checks.

* At fiscal year end, amounts in 0900 - Non-Revenue Activities source codes are to be reclassified to the appropriate asset, liability, revenue, or expenditure/expense coding.

This page intentionally left blank.

Chapter 80 - Accounting Policies

80.10 About Accounting Policies, Roles and Responsibilities

80.10.10	Purpose for the accounting policies and procedures in this manual	May 1, 1999
80.10.20	Authority for these policies	May 1, 1999
80.10.30	Applicability	May 1, 1999
80.10.40	Role of the Office of Financial Management	July 1, 2012
80.10.50	Role of the State Treasurer	July 1, 2008
80.10.60	Role of the State Auditor	May 1, 1999
80.10.70	Role of the Joint Legislative Audit and Review Committee	May 1, 1999
80.10.80	Role of the Legislative Evaluation and Accountability Program Committee	May 1, 1999
80.10.90	Role of administering agencies	July 1, 2008

80.20 Generally Accepted Accounting Principles

80.20.10	This state adopts Generally Accepted Accounting Principles (GAAP)	July 1, 2001
80.20.20	What constitutes GAAP?	July 1, 2015
80.20.30	Governmental GAAP requires fund accounting	July 1, 2001
80.20.35	Fund categories used in governmental accounting	July 1, 2010
80.20.40	Financial reporting requirements	July 1, 2001
80.20.45	What is the financial reporting entity?	July 1, 2012
80.20.50	Measurement focus and basis of accounting	June 1, 2013
80.20.60	Accounting for capital assets and long-term obligations	July 1, 2015
80.20.70	GAAP budgetary requirements	July 1, 2001
80.20.80	Management Discussion and Analysis	July 1, 2001
80.20.82	Government-wide financial statements	June 1, 2013
80.20.85	Fund financial statements	June 1, 2013

80.30 State Accounting and Reporting Policies

80.30.05	State accounting and reporting principles must conform with Generally Accepted Accounting Principles (GAAP)	July 1, 2012
80.30.10	What is our fund/account structure?	July 1, 2001
80.30.15	What are subsidiary accounts?	July 1, 2001
80.30.20	What is our measurement focus and basis of accounting?	June 1, 2013
80.30.25	General budgetary policies	July 1, 2004
80.30.27	General reporting policies	July 1, 2004
80.30.28	What is the state of Washington reporting entity?	June 1, 2005
80.30.30	Pooled cash and investment policies	July 1, 2015
80.30.35	Receivables policy	June 1, 2005
80.30.40	Inventories policy	June 1, 2014
80.30.45	Capital assets policy	July 1, 2015
80.30.47	Deferred outflows/inflows of resources	June. 1, 2015
80.30.50	Short-term liabilities policy	June 1, 2004
80.30.55	Compensated absences policy	July 1, 2009
80.30.57	Termination benefits policy	July 1, 2006
80.30.60	Long-term obligations policy	June 1, 2004
80.30.62	Commitments and contingencies	June 1, 2015
80.30.65	Fund equity policy	June 1, 2015
80.30.67	Revenues and expenses policy	July 1, 2011
80.30.70	Insurance activities policy	May 1, 1999
80.30.75	Interfund activities policy	July 1, 2001
80.30.80	How to establish accounts	July 1, 2003
80.30.82	The state adopted a uniform chart of accounts	July 1, 2010
80.30.84	Required accounting steps	July 1, 2008
80.30.86	Using standard or other accounting forms	June 1, 2014
80.30.88	Requirements for agencies implementing, maintaining or modifying accounting or reporting systems	July 1, 2012
80.30.90	Budgetary data must be maintained	July 1, 2009
80.30.92	Agency fiscal activities must be organized to provide effective internal control	July 1, 2004

80.10
About Accounting Policies, Roles and Responsibilities

80.10.10 Purpose for the accounting policies and procedures in this manual

May 1, 1999

Chapters 80 and 85 establish statewide policies, regulations and procedures for the financial accounting practices applicable to agencies of the state of Washington.

80.10.20 Authority for these policies

May 1, 1999

The Budget and Accounting Act contained in Chapter 43.88 RCW requires that the Governor, through the director of the Office of Financial Management (OFM), devise and maintain a comprehensive accounting system in conformance with generally accepted accounting principles (GAAP) (Refer to RCW 43.88.037) for use by all state agencies. The purpose of this system is to provide accountability over all revenues, expenditures/expenses, receipts, disbursements, resources (assets), and obligations (liabilities) of the state (Refer to RCW 43.88.160(1)). The Budget and Accounting Act grants OFM the authority to develop and issue the regulations necessary for the proper administration of the Act.

80.10.30 Applicability

May 1, 1999

Chapters 80 and 85 apply to all agencies of the state of Washington, unless otherwise exempted by statute. The Budget and Accounting Act defines the term “agency” to mean and include “every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided.”

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

80.10.40 Role of the Office of Financial Management

July 1, 2012

80.10.40.a The Office of Financial Management (OFM) acts on behalf of the Governor in the capacity of the state's accounting and budgeting agent in carrying out the provisions of the Budget and Accounting Act, Chapter 43.88 RCW. As such, all policies, procedures, and directives issued by OFM are binding on all state agencies unless specifically exempted by RCW 43.88.240.

80.10.40.b OFM has the statutory authority to devise, supervise, and maintain a modern and complete accounting system for each agency to the end that all revenues, expenditures/expenses, receipts, disbursements, resources and obligations of the state are properly and systematically accounted for. In carrying out this responsibility, OFM is involved in the following activities:

1. Maintains central financial accounting and reporting systems.

2. Engages in oversight activities on all agency accounting and reporting systems. OFM also requires that any changes to existing and all new agency accounting and/or reporting systems that materially impact the accounting methods or practices of the agency have the approval of OFM's Office of the Chief Information Officer prior to implementation. Refer to Subsection 80.30.88.

3. Prescribes specific accounting procedures to be followed by agencies in accounting for the state's resources.

4. Maintains the central records reflecting the financial status of the state taken as a whole at the level deemed necessary for central financial management.

5. Adopts and periodically updates the *State Administrative and Accounting Manual* that prescribes and requires the maintenance of uniform systems of accounting and reporting for agencies.

6. Advises and assists agency accounting and administrative personnel in specific accounting and reporting problems and recommends system revisions and improvements which make it possible to exercise effective control over assets, liabilities, revenues, and expenditures/expenses.

7. Prescribes and requires the maintenance of budgetary accounting procedures to produce current and accurate management information for effective budgetary control.

80.10.40.c OFM has the statutory responsibility to publish, within six months of the end of the fiscal year, an annual financial report that encompasses all funds and account groups of the state.

80.10.40.d OFM has the statutory responsibility to provide all agencies with a complete set of instructions for preparing and submitting biennial budget requests and statements of proposed expenditures. Additionally, OFM is to monitor agency expenditures against the approved statement of proposed expenditures and provide budget status information periodically to the Legislature and its committees.

80.10.40.e OFM has the statutory authority and responsibility to develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls.

80.10.40.f OFM has the statutory responsibility to cause corrective action(s) to be promptly taken by agencies on specific recommendations or exceptions contained in the reports of the State Auditor regarding specific expenditures or other practices related to an agency's financial transactions (i.e., audit findings and questioned costs).

OFM has the additional responsibility to annually report to the appropriate committees of the Legislature, the State Auditor, and the Attorney General the status of audit resolution including, but not limited to, types of personnel actions, costs and types of litigation, and value of recouped goods or services.

80.10.40.g OFM has the statutory responsibility to approve the use of electronic and other technological means to transfer both funds and information whenever economically feasible, to eliminate paper documentation whenever possible, and to provide greater fiscal responsibility.

80.10.50 Role of the State Treasurer

July 1, 2008

Chapters 43.08 RCW and 43.88 RCW give the State Treasurer the statutory authority and responsibility to:

80.10.50.a Receive, maintain, and disburse all public monies of the state not expressly required by law to be received, maintained, and disbursed by other agencies.

80.10.50.b Receive, disburse, or transfer public monies under the State Treasurer's supervision or custody by warrant or check, automated clearing house (ACH), Interagency Payment Journal Voucher (IAP), or Interfund Transfer (IFT).

80.10.50.c Maintain current and correct account of all monies received and disbursed by the State Treasurer, classified by account.

80.10.50.d Take such actions as are necessary to ensure the effective cash management of public funds.

80.10.50.e Coordinate agencies' acceptance and use of credit cards and other payment methods as authorized by law.

80.10.50.f Represent the state in all contractual relationships with financial institutions.

80.10.50.g Perform other such duties as may be prescribed by law or other regulations.

80.10.60 Role of the State Auditor

May 1, 1999

Chapter 43.88 RCW gives the State Auditor the statutory authority and responsibility to:

80.10.60.a Conduct periodic post-audits of state agencies covering compliance with fiscal and legal requirements.

80.10.60.b Conduct special examinations when warranted by questionable practices or circumstances.

80.10.60.c Report to the Legislature on an annual basis concerning the significant findings contained in post-audits of state agencies.

80.10.60.d Provide information to the Legislature, whenever required, upon any subject relating to the financial affairs of the state.

80.10.60.e Perform or participate in performance verifications only as expressly authorized by the Legislature in the omnibus biennial appropriations acts.

80.10.70 Role of the Joint Legislative Audit and Review Committee

May 1, 1999

Chapter 44.28 RCW gives the Joint Legislative Audit and Review Committee (JLARC) the statutory authority and responsibility to:

80.10.70.a Make examinations and reports concerning whether or not appropriations are being expended for the purposes and within the statutory restrictions of the Legislature; and concerning the organization and operation of procedures necessary or desirable to promote economy, efficiency, and effectiveness in state government, its boards, committees, commissions, institutions, and other state agencies; and to make recommendations and reports to the Legislature.

80.10.70.b Make such other studies and examinations of economy, efficiency, and effectiveness of state government and its state agencies as it may find advisable, and to hear complaints, hold hearings, gather information, and make findings of fact with respect thereto.

80.10.70.c Conduct program and fiscal reviews of any state agency or program scheduled for termination under the process provided under Chapter 43.131 RCW.

80.10.70.d Perform other legislative staff studies of state government or the use of state funds.

80.10.70.e Conduct performance audits in accordance with the work plan it adopts.

80.10.70.f Receive a copy of each report of examination or audit issued by the state auditor for examinations or audits that were conducted at its request and make recommendations as it deems appropriate as a separate addendum to the report or audit.

80.10.70.g Develop internal tracking procedures that will allow the Legislature to measure the effectiveness of performance audits it conducts including, where appropriate, measurements of cost-savings and increases in efficiency and effectiveness in how state agencies deliver their services.

80.10.80 Role of the Legislative Evaluation and Accountability Program Committee

May 1, 1999

Chapter 44.48 RCW gives the Legislative Evaluation and Accountability Program Committee (LEAP) the statutory authority and responsibility to provide and maintain, for the Legislature, an information system for in-depth analysis and monitoring of state agency expenditures, budgets, and related fiscal matters.

80.10.90 Role of administering agencies

July 1, 2008

Administering agencies are designated by OFM to provide general oversight of financial accounting records at the account level. The administering agency for each account is listed in Subsection 75.30.50. Administering agencies are responsible for:

- Reviewing cash and in-process accounts, GL Code series 4XXX and 7XXX, for the accounts that they administer for reasonableness as compared to cash allotments. Special attention should be given to potential cash deficits and unusual or irregular in-process activity.

- Reviewing the reasonableness of the asset, liability, and equity balances of the accounts that they administer. Refer to Subsection 90.20.70.b #8.

If an administering agency determines that adjustments are required, they should coordinate with the operating agency and the Office of the State Treasurer as appropriate. If assistance is needed, the administering agency should contact their assigned OFM Accounting Consultant.

If the administering agency projects a potential cash or fund balance deficit, they should immediately contact their assigned OFM Accounting Consultant.

80.20 Generally Accepted Accounting Principles

80.20.10 This state adopts Generally Accepted Accounting Principles (GAAP)

July 1, 2001

Generally accepted accounting principles (GAAP) are uniform minimum standards of and guidelines to financial accounting and reporting. GAAP establishes appropriate measurement and classification criteria for financial reporting. Adherence to GAAP provides a reasonable degree of comparability among the financial reports of state and local governmental units. In accordance with RCW 43.88.037, the Office of Financial Management adopts GAAP as applicable to state governments.

80.20.20 What constitutes GAAP?

July 1, 2015

The hierarchy of GAAP governs what constitutes GAAP for state governments, including government-owned colleges and universities and health care providers. It details the priority sequence of pronouncements that the state should look to for accounting and reporting guidance. The Governmental Accounting Standards Board (GASB) established the following hierarchy of authoritative GAAP for state and local governments:

1. GASB Statements (Category A).

2. GASB Technical Bulletins; GASB Implementation Guides; and literature of the American Institute of Certified Public Accountants (AICPA) cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

If the accounting treatment for a transaction or other event is not specified in either Category A or B, a government generally should first consider accounting principles for similar transactions covered in the above categories and then may consider other nonauthoritative accounting literature that does not conflict or contradict authoritative GAAP.

Nonauthoritative accounting literature include:

- GASB Concept Statements;
- Pronouncements and literature of the Financial Accounting Standards Board, Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, International Accounting Standards Board and AICPA literature not cleared by the GASB;
- Practices that are widely recognized and prevalent in state and local government;
- Literature of other professional associations or regulatory agencies; and
- Accounting textbooks, handbooks and articles.

80.20.30 Governmental GAAP requires fund accounting

July 1, 2001

Among the basic principles of governmental GAAP is fund accounting. Because of the diverse nature of governmental operations and the numerous legal and fiscal constraints under which those operations must be conducted, it is impossible to record all governmental financial transactions and balances in a single accounting entity. Therefore, unlike a private business which is accounted for as a single entity, a governmental unit is accounted for through separate funds, each of which is a fiscal and accounting entity with a self-balancing set of accounts.

80.20.35 Fund categories used in governmental accounting

July 1, 2010

Funds are categorized by type to indicate both the sources of the fund's financial resources and the nature of activities financed. There are three broad categories of funds used in governmental accounting.

80.20.35.a **Governmental funds** are used to account for most typical governmental functions. The acquisition, use, and balances of the state's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds), are accounted for through governmental funds. There are five types of governmental funds:

- General Fund - used to account for all financial resources of the state not required to be accounted for in some other fund. Includes both the Basic Account and Administrative Accounts.

- Special Revenue Funds - 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 restricted or committed to expenditures for specified purposes other than debt service or capital projects.

- Debt Service Funds - used to account for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, general long-term debt principal and interest.
-
- Capital Projects Funds - used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition and construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).

- Permanent Funds - used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for the benefit of the state or its citizenry.

80.20.35.b **Proprietary funds** are used to account for a government's ongoing organizations and activities that are similar to businesses 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. There are two types of proprietary 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,

  b) 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, or

  c) The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

- Internal Service Funds - used to account for the provision of goods or services by one department or agency to other departments or

agencies of the state, or to other governmental units, on a cost-reimbursement basis. Internal service funds should only be used if the state is the predominant participant in the activity.

80.20.35.c **Fiduciary funds** are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. There are four types of fiduciary funds:

- Pension (and other employee benefit) Trust Funds - used to report resources that are required to be held in trust by the state for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, and other employee benefit plans.

- Investment Trust Funds - used to report the external portion of the Local Government Investment Pool, which is reported by the state as the sponsoring government.
- Private-Purpose Trust Funds - used to report trust arrangements, other than pension and investment trusts, 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.

- Agency Funds - used to account for resources held by the state in a purely custodial capacity for other governments, private organizations or individuals.

80.20.40 Financial reporting requirements

July 1, 2001

80.20.40.a **Interim reports**. In order to facilitate management control, legislative oversight or other purposes, appropriate interim financial statements and reports of financial position, operating results and other pertinent information should be prepared.

80.20.40.b **Comprehensive annual financial report**. A comprehensive annual financial report (CAFR) should be prepared covering all activities of the primary government and providing an overview of its discretely presented component units. It should contain the following sections:

1. **Introductory section**. The introductory section includes the table of contents and letter of transmittal.

2. **Financial section**. The financial section includes:
   - The independent auditor's report;
   - Management's discussion and analysis (MD&A). Refer to Subsection 80.20.80;

- Basic financial statements:
  - Government-wide financial statements. Refer to Subsection 80.20.82;
  - Fund financial statements. Refer to Subsection 80.20.85; and
  - Notes to the financial statements.
- Required supplementary information (RSI), other than MD&A; and
- Combining and individual fund statements and schedules.

3. **Statistical section**. The statistical section includes additional financial, economic, and demographic information.

80.20.45 What is the financial reporting entity?

July 1, 2012

The financial reporting entity of the state consists of:

1. **Primary government**. The primary government consists of all funds, agencies, departments, and organizations that make up the legal entity of the state.

2. **Organizations for which the primary government is financially accountable**. Financial accountability exists if a primary government appoints a voting majority of the organization's governing body and is either (1) able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government is also financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify that budget, levy taxes or set rates or charges without substantive approval by another government, or issue bonded debt without substantive approval by another government. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists: (1) The primary government is legally entitled to or can otherwise access the organization's resources; (2) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; (3) The primary government is obligated in some manner for the debt of the organization.

3. **Other organizations**. Other organizations (including component units, joint ventures, jointly governed organizations, and other stand-alone governments) that do not meet the financial accountability criteria may be included in the reporting entity if the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading.

80.20.50 Measurement focus and basis of accounting

June 1, 2013

80.20.50.a **Measurement focus** is concerned with *what* financial transactions and events will be recognized in the accounting records and reported in the financial statements. Measurement focus is concerned with the inflow and outflow of resources - what is being measured. While there are a number of measurement focuses, the following two are fundamental to current governmental accounting principles:

1. **Flow of economic resources** focus considers all of the assets available to the governmental unit for the purpose of providing goods and services. Under this focus, all assets and liabilities, both current and long-term, are recorded within the fund and depreciation is recorded as a charge to operations.

2. **Flow of current financial resources** focus measures the extent to which financial resources obtained during a period are sufficient to cover claims incurred during that period. The emphasis of this focus is on cash and assets that will become cash during or shortly after the current period. Long-term capital assets and long-term obligations are not recorded within a fund under this measurement focus.

80.20.50.b **Basis of accounting** refers to *when* transactions and events will be recognized in the accounting records and presented in the financial statements. Governmental accounting transactions and events are recognized on either the accrual basis or the modified accrual basis.

1. **Accrual basis** of accounting records revenues in the period in which they are earned and become measurable; expenses are recorded in the period incurred, if measurable.

2. **Modified accrual basis** of accounting recognizes revenues in the period in which they become available and measurable. Revenues are considered available when they will be collected either during the current period or soon enough after the end of the period to pay current year liabilities. Revenues are considered measurable when they are reasonably estimable. Expenditures are generally recognized when the fund liability is incurred, if measurable.

80.20.50.c Under GAAP, the measurement focus and basis of accounting applied varies with fund type category.

1. **Governmental funds** focus primarily on the sources, uses, and balance of current financial resources and often have a budgetary orientation. They employ the flow of current financial resources measurement focus and the modified accrual basis of accounting.

    - Revenues are recognized in the accounting period in which they become measurable and available.

    - Expenditures are generally recognized when incurred, if measurable. Exceptions include unmatured interest on general long-term obligations and compensated absences, which are recognized when due.

    - Assets and liabilities reported on the financial statements are limited to those representing current available resources or requiring expenditure of said resources.

2. **Proprietary funds** focus on the determination of net income, the changes in net position (or cost recovery), financial position, and cash flows. They utilize the flow of economic resources measurement focus and the accrual basis of accounting.

    - Revenues are recognized in the period in which they are earned and become measurable.

    - Expenses are recognized in the period incurred.

    - Assets and liabilities reported represent all of the assets available and all of the liabilities outstanding.

3. **Fiduciary funds** focus on net position and changes in net position. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans. Agency funds also use the accrual basis of accounting, but, since they are custodial in nature and do not involve the measurement of results of operations, they do not use a measurement focus.

80.20.60 Accounting for capital assets and long-term obligations

July 1, 2015

80.20.60.a **Capital assets** of the state are accounted for at cost or, if the cost is not practicably determinable, at estimated cost. The cost of a capital asset includes its purchase price or construction cost, as well as the ancillary

charges necessary to place the asset in its intended location and condition for use. Donated capital assets are recorded at their estimated acquisition value at the time received. Refer to Chapter 30 for the state's policy for capitalizing assets and for estimating the useful lives of those assets.

80.20.60.a.(1) Capital assets used in proprietary and fiduciary funds, where the flow of economic resources is measured, are accounted for in the appropriate fund. Depreciation of capital assets accounted for in a proprietary or fiduciary fund is recorded in the accounting records of that fund.

Proprietary funds report capital assets both in the government-wide and fund financial statements. Capital assets of fiduciary funds are reported only in the Statement of Fiduciary Net Position.

80.20.60.a.(2) General capital assets are capital assets used in the operations of governmental funds where the primary accounting purpose is to reflect the sources and uses of current financial resources. Since general capital assets do not represent financial resources available for expenditure, they are not reported as assets in governmental funds. Rather, they are capitalized and depreciated in the General Capital Assets Subsidiary Account, and reported in the governmental activities column in the government-wide Statement of Net Position.

80.20.60.a.(3) Capital assets should be depreciated over their estimated useful lives unless they are either inexhaustible or are infrastructure assets using the modified approach. Depreciation expense should be reported in:

- The Government-wide Statement of Activities,
- The Proprietary Fund Statement of Revenues, Expenditures, and Changes in Fund Net Position, and
- The Statement of Changes in Fiduciary Net Position.

80.20.60.b **Long-term obligations**. Due to the fund accounting requirements of a government's operations, some long-term obligations are accounted for in certain funds (fund long-term obligations) and others are accounted for in the General Long-Term Obligations Subsidiary Account.

80.20.60.b.(1) Long-term obligations associated with and expected to be paid from proprietary and fiduciary funds are accounted for in the appropriate fund. These obligations may be secured by a specific fund asset or revenue or may be backed by the full faith and credit of the state.

Proprietary funds should report long-term obligations both in the government-wide and fund financial statements. Long-term obligations of fiduciary funds are reported only in the Statement of Fiduciary Net Position.

80.20.60.b.(2) All long-term obligations that are not accounted for in a proprietary or fiduciary fund are considered general obligations of the state. Since general long-term obligations represent debt that will be met by expending resources other than those considered current and available as of current balance sheet year-end, they should not be reported in governmental funds. Rather, they are reported in the governmental activities column in the government-wide Statement of Net Position.

80.20.70 GAAP budgetary requirements

July 1, 2001

Budgeting is recognized in GAAP as being a critical element of governmental planning, control, and evaluation processes. GAAP budgetary requirements include:

- Budget(s) should be adopted by every government,
- The accounting system should provide the basis for appropriate budgetary control, and
- Budgetary comparisons should be included in the appropriate financial statements and schedules for governmental funds for which budgets have been adopted. The budgetary comparison should present both the original and the final appropriated budgets for the period as well as actual inflows, outflows, and balances, stated on the state's budgetary basis.

Governmental funds of the state are budgeted materially in accordance with GAAP. The required budgetary comparisons are presented as required supplementary information.

80.20.80 Management's Discussion and Analysis

July 1, 2001

The state's financial statements are preceded by the Management's Discussion and Analysis (MD&A). The MD&A, which is classified as required supplementary information, is a narrative introduction, overview, and analysis of the state's financial statements. It focuses on the primary government and is objective, easily readable, and based on currently known facts and conditions.

The MD&A introduces the basic financial statements describing the statements and their relationship to one another. With emphasis on the current year, it presents condensed comparative data and an analysis of the overall financial position of the state as well as an analysis of significant

balances and operations of individual funds. The MD&A presents budget variances, significant capital asset (including infrastructure) and debt activity, and other potentially significant matters.

80.20.82 Government-wide financial statements

June 1, 2013

The state presents two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The government-wide financial statements present information about the overall state. All governmental and business-type activities are included, but fiduciary activities are excluded. Nonfiduciary component units are included.

80.20.82.a **Statement of Net Position**. The purpose of the Statement of Net Position is to display the financial position of the primary government and its component units. Governmental and business-type activities of the primary government are displayed in separate columns with a total column presenting a consolidated total (balances between governmental and business-type activities are eliminated). The statement reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is displayed in three components: 1) net investment in capital assets; 2) restricted; and 3) unrestricted .

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt should be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Assets are reported as restricted when constraints are placed on asset use either externally, by creditors, grantors, contributors, or imposed by law through constitutional provision or enabling legislation.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

80.20.82.b **Statement of Activities**. The purpose of a statewide Statement of Activities is to identify the extent to which each major state program is supported by general state revenues or is self-financed through fees and intergovernmental aid. For governmental activities, a major program is defined as a function. For business type activities, a major program is an identifiable activity.

80.20.85 Fund financial statements

June 1, 2013

80.20.85.a The fund financial statements focus on major individual funds of the state with nonmajor funds aggregated into a single column regardless of fund type. In conjunction with the fund statements, the state presents a summary reconciliation between the fund financial statements and the government-wide financial statements.

At the fund statement level, governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are reported consistent with proprietary funds except for the recognition of certain liabilities of defined benefit pension plans.

80.20.85.b The state's fund financial statements include:

Governmental Funds

- Balance Sheet
- Statement of Revenues, Expenditures, and Changes in Fund Balances

Proprietary Funds

- Statement of Fund Net Position
- Statement of Revenues, Expenses, and Changes in Fund Net Position
- Statement of Cash Flows

Fiduciary Funds

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position

80.30
State Accounting and Reporting Policies

80.30.05 State accounting and reporting principles must conform with Generally Accepted Accounting Principles (GAAP)

July 1, 2012

The basic principles governing the accounting and reporting activities of the state are required by RCW 43.88.037 to be in conformance with generally accepted accounting principles (GAAP).

The significant accounting and reporting policies of the state of Washington are in conformance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

80.30.10 What is our fund/account structure?

July 1, 2001

In accordance with GAAP, the state defines a fund/account as a fiscal and **accounting** entity with a self-balancing set of accounts used by agencies to record transactions. Fund/account accounting is designed to demonstrate legal compliance and fiscal accountability by segregating transactions related to certain government functions or activities.

For reporting purposes, the state administratively combines accounts with activity and/or balances into roll-up funds. A roll-up fund is a **reporting** entity. It is comprised of the various accounts which generally fall within the generic activity/nature of the roll-up fund's title.

For reporting purposes, funds can be categorized into one of eleven "roll-up fund types." These eleven fund types can be grouped into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

Five fund types are used to account for the "governmental type" activities of the state and these are categorized as governmental funds. Two fund types are used to account for the state's "business type" activities and these are categorized as proprietary funds. The remaining category is for the state's fiduciary funds which are used to account for resources that are held by the state as a trustee or agent for individuals/organizations outside the state and cannot be used to support the state's own programs.

80.30.15 What are subsidiary accounts?

July 1, 2001

The state uses subsidiary accounts for tracking general capital assets and general long-term obligations. Subsidiary accounts are record keeping mechanisms that provide a basis for accountability and tracking the state's general capital assets and unmatured portion of general long-term obligations and certain other long-term accrued liabilities.

80.30.20 What is our measurement focus and basis of accounting?

June 1, 2013

80.30.20.a The accounting and financial reporting treatment applied to an account is determined by its measurement focus. All governmental fund type accounts are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred outflows of resources and deferred inflows of resources generally are included on the Governmental Funds Balance Sheet. Operating statements for these accounts present inflows (i.e., revenues and other financing sources) and outflows (i.e., expenditures and other financing uses) of expendable financial resources.

All proprietary and trust fund type accounts are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these accounts are included on their respective statements of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. Net position in proprietary fund type accounts is segregated into three components: net investment in capital assets; restricted; and unrestricted. Net position for trust fund type accounts represents assets held in trust for external individuals and organizations.

The modified accrual basis of accounting is used by all governmental fund type accounts. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimated. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary revenues that are determined to be susceptible to accrual include sales taxes, business and occupation taxes, motor fuel taxes, federal grants-in-aid, and charges for services.

Revenues from property taxes are determined to be available if collectible within 60 days. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collectible within one year.

Revenue for timber cutting contracts is accrued when the timber is harvested. Revenues from licenses, permits, and fees are recognized when received in cash. Revenues related to expenditure driven grant agreements are recognized when the qualifying expenditures are made provided that the availability criteria is met. Pledges are accrued when the eligibility requirements are met and resources are available. All other accrued revenue sources are determined to be available if collectible within 12 months.

Property taxes are levied in December for the following calendar year. The first half year collections are due April 30 and the second half year collections are due October 31. Since the state is on a fiscal year ending June 30, the first half year collections are recognized as revenue, if collectible within 60 days of the fiscal year end. The second half year collections are recognized as receivables offset by unavailable revenue. The lien date on property taxes is January 1 of the tax levy year.

Under modified accrual accounting, expenditures are recognized when the related liability is incurred. Exceptions to the general modified accrual expenditure recognition criteria include unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

All proprietary and trust fund type accounts are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when they are earned and expenses are recognized when incurred.

In governmental fund type accounts, the state defers recognition of revenue under certain conditions. Unavailable revenues arise when a potential revenue does not meet both the “measurable” and the “available” criteria for revenue recognition in the current period. In all account types, unearned revenue arises when resources are received by the state before it has a legal claim to them, such as when grant monies are received prior to incurring qualifying expenditures/expenses.

80.30.20.b For government-wide reporting purposes, the state uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

80.30.25 General budgetary policies

July 1, 2004

Governmental fund type accounts are budgeted materially in conformity with GAAP. Certain governmental activities are excluded from budgetary reporting because they are not appropriated. These activities include: activities designated as nonappropriated by the Legislature, such as the Higher Education Special Revenue Fund, Higher Education Endowment Fund, federal surplus food commodities, electronic food stamp benefits, capital leases, note proceeds, and resources collected and distributed to other governments. The differences between budgetary reporting and GAAP reporting are reconciled and disclosed in the notes to the state's budgetary comparison schedules. Refer to Section 85.10.

80.30.27 General reporting policies

July 1, 2004

80.30.27.a In accordance with GAAP, the state annually prepares and publishes a Comprehensive Annual Financial Report (CAFR), which presents the primary government and its component units, entities for which the state is considered to be financially accountable. Per RCW 43.88.027, the CAFR is required to be prepared and published within six months of year end.

80.30.27.b A state agency or component unit may prepare and publish separate, stand-alone financial reports as deemed necessary. When these reports are prepared in accordance with GAAP, the relationship between the agency or component and the state should be disclosed on the cover of the report as well as in the notes to the financial statements. Refer also to Subsection 90.10.60.

80.30.28 What is the state of Washington reporting entity?

June 1, 2005

In defining the state of Washington for financial reporting purposes, management considers: all organizations, institutions, agencies, departments, and offices that are legally part of the state (the primary government); organizations for which the state is financially accountable; and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be incomplete.

The primary government of the state includes its agencies, colleges and universities, retirement systems, and blended component units. Blended component units, although legally separate entities, are part of the state's operations in substance. Accordingly, they are reported as part of the state and blended into the appropriate funds.

Discretely presented component units are reported in a separate column in the government-wide financial statements. Discretely presented component units are legally separate from the state and primarily serve or benefit those outside of the state. They are financially accountable to the state or have relationships with the state such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

80.30.30 Pooled cash and investment policies

July 1, 2015

Investments of surplus or pooled cash balances are reported by the state as "cash and pooled investments." The Office of the State Treasurer invests state treasury cash surpluses where funds can be disbursed at any time without prior notice or penalty. As a result, the cash balances of funds with surplus pooled balances are not reduced for these investments.

The state defines investments for reporting purposes as securities or other assets that (a) the state holds primarily for the purpose of income or profit and (b) has a present service capacity that is based solely on its ability to generate cash or be sold to generate cash.

Investments are generally valued at fair value. The techniques used to determine fair value fall into three categories:

- Level 1 inputs are quoted prices in active markets.
- Level 2 inputs are observable either directly or indirectly.
- Level 3 inputs are not observable.

The state maximizes the use of techniques that are appropriate under the circumstances and for which sufficient data are available, maximizing the use of relevant observable techniques. Refer to Section 85.52.

80.30.35 Receivables policy

June 1, 2005

Receivables in the state's governmental fund type accounts consist primarily of taxes and federal revenues. Receivables in all other accounts arise in the ordinary course of business. Receivables are recorded when either the asset or revenue recognition criteria have been met. Estimates of uncollectible receivables are made and recorded to an allowance for uncollectible receivables. Receivables are reported net of the allowance for uncollectible accounts.

For government-wide reporting purposes, amounts reported in the funds as interfund/interagency receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual balances due between the governmental and business-type activities, which are presented as internal balances. Amounts recorded in governmental and business-type activities as due to or from fiduciary funds are reported as due to or from other governments. Refer to Section 85.54.

80.30.40 Inventories policy

June 1, 2014

Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported for financial statement purposes if the fiscal year-end balance on hand at an inventory control point exceeds $50,000. Consumable inventories are generally valued at cost using the first-in, first-out method. Donated consumable inventories are recorded at fair value.

All **merchandise inventories** are considered reportable for financial statement purposes. Merchandise inventories are generally valued at cost using the first-in, first-out method.

Inventories of governmental fund type accounts are valued at cost and are recorded using the consumption method. Proprietary fund type accounts expense inventories when used or sold.

For governmental fund financial reporting, inventory balances are recorded

as nonspendable fund balance indicating that they do not constitute "available spendable resources," except for certain federally donated consumable inventories which are offset by unearned revenue because they are not earned until they are distributed to clients. Refer to Section 85.56.

80.30.45 Capital assets policy

July 1, 2015

80.30.45.a **Capitalization**. For the state's capitalization policy, refer to Subsection 30.20.20. Except when noted, it is the state's policy to capitalize:

- All land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs;
- The state highway system operated by the Department of Transportation;
- Infrastructure, other than the state highway system, with a cost of $100,000 or greater;
- Buildings, building improvements, improvements other than buildings, and leasehold improvements with a cost of $100,000 or greater;
- Intangible assets, either purchased or internally developed, such as land rights not acquired with the purchase of land, software, patents, and trademarks, with a cost of $1,000,000 or more that are "identifiable" by meeting one of the following conditions:
    - The asset is capable of being separated or divided and sold, transferred, licensed, rented, exchanged, or
    - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable.
- All other capital assets with a unit cost (including ancillary costs) of $5,000 or greater, or collections with a total cost of $5,000 or greater, unless otherwise noted; and
- All capital assets acquired with Certificates of Participation (COP).

Purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Capital asset costs include the purchase price plus those costs necessary to

place the asset in its intended location and condition for use. Normal maintenance and repair costs that do not materially add to the value or extend the life of the state's capital assets are not capitalized.

Capital assets transferred between agencies are recorded by the agency receiving the asset at the carrying value of the transferring agency.

Donated capital assets, works of art and historical treasures are valued at their estimated acquisition value on the date of donation, plus all appropriate ancillary costs.

The value of assets constructed by agencies for their own use includes all direct construction costs and indirect costs that are related to the construction. In enterprise and trust fund accounts, net interest costs (if material) incurred during the period of construction are capitalized.

Art collections, library reserve collections, and museum and historical collections that are considered inexhaustible, in that their value does not diminish over time, are **not** capitalized by the state if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to policy requirements that the proceeds from sales of collection items be used to acquire other items for the collection.

Agencies must be able to provide descriptions of the collections and the reasons the collections are not capitalized.

80.30.45.b **Depreciation/amortization**. Depreciation/amortization is calculated on general capital assets with the exception of land, the state highway system; art collections, library reserve collections, and museum and historical collections that are considered inexhaustible; construction in progress; and intangible assets with indefinite useful lives.

Depreciation/amortization is calculated using the straight-line method over the estimated useful lives of the assets. Generally, estimated useful lives are as follows:

Buildings & building components	5 - 50 years
Furnishings, equipment & collections	3 - 50 years
Infrastructure	20 - 50 years
Intangibles	3 - 50 years
Other improvements	3 - 50 years

The cost and related accumulated depreciation/amortization of capital assets disposed of are removed from the applicable general ledger codes. Refer to Subsection 30.40.45.

80.30.45.c **Modified approach to depreciation - state highway system**. The state capitalizes the state highway system as a network but does not depreciate it since the system is being preserved approximately at or above a condition level established by the state. That condition level is documented and disclosed. Additionally, the highway system is managed using an asset management system that includes:

- Maintenance of an up-to-date inventory of system assets,
- Performance of condition assessments of the assets at least every three years with summarization of the results using a measurement scale, and
- Annual estimation of the amount to maintain and preserve the assets at the condition level established and disclosed.

All state highway system expenditures that preserve the useful life of the system are expensed in the period incurred. Additions and improvements that increase the capacity or efficiency of the system are capitalized. This approach of reporting condition instead of depreciating the highway system is called the Modified Approach.

80.30.45.d **Reporting**. For government-wide financial reporting purposes, capital assets of the state are reported as assets in the applicable governmental or business type activities column on the Statement of Net Position.

Depreciation/amortization expense related to capital assets is also reported in the Statement of Activities. Capital assets and the related depreciation/amortization expense are also reported in the proprietary fund type financial statements.

In governmental fund type accounts, capital assets are not capitalized in the accounts that acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in the year acquired and recorded in the General Capital Assets Subsidiary Account. The General Capital

Assets Subsidiary Account is a record keeping mechanism that provides a basis for accountability and control over the state's capital assets other than those accounted for in proprietary or fiduciary funds. Refer to Section 85.60.

80.30.47 Deferred outflows/inflows of resources

June 1, 2015

Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources (expenditure/expense) in a future period. An example of a deferred outflow of resources is the excess of the carrying value of debt being refunded over the reacquisition price of the refunding debt.

Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources (revenue) in a future period. In governmental fund type accounts, a deferred inflow of resources is reported when revenues do not meet the available recognition criteria. Another example of a deferred inflow of resources is the excess of the reacquisition price of refunding debt over the net carrying value of the debt being refunded.

80.30.50 Short-term liabilities policy

June 1, 2004

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 and fiduciary fund type accounts, they represent items payable within one year.

In proprietary and fiduciary fund types, as well as the General Long-Term Obligation Subsidiary Account, short-term liabilities also include the short-term portion of long-term obligations. The short-term portion of long-term obligations is the amount due within one year. Refer to Section 85.70.

80.30.55 Compensated absences policy

July 1, 2009

Vacation leave. State employees earn vacation leave that, if not used for paid time off, results in full compensation at termination or retirement. It is generally the state's policy to liquidate unpaid vacation leave with future resources rather than currently available expendable resources. Accordingly, governmental fund type accounts recognize vacation leave when it is paid

upon employee's use, resignation, death, or retirement. A liability for accumulated vacation leave, including related employer costs, is recorded for governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. Proprietary and trust fund type accounts recognize the expense and record a liability for vacation leave, including related employer costs, as it is earned. Refer to Subsection 85.72.50.

Sick leave. The state's policy with respect to sick leave is that if it is not used for paid time off, then the state is only liable to compensate employees through cash payments for 25 percent of their sick leave when they retire or die. For financial reporting purposes, it is the state's policy to liquidate unpaid sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental fund type accounts recognize sick leave when it is paid. The state records an estimated sick leave buyout liability, including related employer costs, for governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. Proprietary and trust fund type accounts recognize the expense and accrue a liability for estimated sick leave buyout as sick leave is earned. Refer to Subsection 85.72.60.

Compensatory time. Certain state employees earn compensatory time that, if not used for paid time off, results in compensation to be cashed out in accordance with regulations, collective bargaining agreements, or agency policy, as appropriate. A liability for accumulated compensatory time, including related employer costs, is recorded for governmental fund type accounts in the General Long-Term Obligations Subsidiary Account. Proprietary and trust fund type accounts recognize the expense and record a liability for compensatory time, including related employer costs, as it is earned. Refer to Subsection 85.72.65.

80.30.57 Termination benefits policy

July 1, 2006

State employees may receive **termination benefits** resulting from early retirement incentives and severance pay. A liability for termination benefits, including related employer costs, is recorded for governmental fund type accounts as an expenditure and liability. Governmental fund type accounts recognize termination benefits when the liability will be paid from expendable available financial resources. Proprietary and trust fund type accounts recognize the expense and record a liability for termination benefits, including related employer costs, when it is earned. Refer to Subsection 85.72.70.

80.30.60 Long-term obligations policy

June 1, 2004

Long-term obligations expected to be financed from proprietary and fiduciary fund type accounts are accounted for in those accounts. Long-term obligations expected to be financed from resources received in the future by governmental fund type accounts are accounted for in the General Long-Term Obligations Subsidiary Account.

The General Long-Term Obligations Subsidiary Account is 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.

For governmental fund type financial reporting, the face (par) amount of the debt issued is reported as other financing sources. Original issuance premiums and discounts on debt issuance are also reported as other financing sources and uses respectively. Issue costs are reported as debt service expenditures.

For government-wide financial and proprietary fund reporting purposes, long-term obligations of the state are reported as liabilities in the applicable governmental or business type activities column on the Statement of Net Position. Bonds payable are reported net of applicable original issuance premium or discount. Refer to Section 85.72.

80.30.62 Commitments and contingencies

June 1, 2015

An encumbrance represents a commitment of expenditure authority related to unperformed contracts for goods or services and is reported in

restricted, committed, or assigned fund balance, as appropriate. Refer to Section 85.30.

A nonexchange financial guarantee represents a commitment on the part of a government (without receiving equal value in return) 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 nonexchange 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 loss contingency occurs when it appears reasonably possible that a liability has been incurred or an asset has been impaired, but no loss is recognized because the loss is either not considered probable, or if it is probable, it is not reasonably measurable.

A gain contingency occurs when revenue is reasonably possible, but is never recognized until it has been realized.

80.30.65 Fund equity policy

June 1, 2015

Fund equity represents the difference between assets and liabilities.

80.30.65.a In governmental fund type accounts, fund equity is called "fund balance." Fund balance is reported in the following classifications that reflect the extent to which the state is bound to honor constraints on the purposes for which the amounts can be spent:

- **Nonspendable** fund balance represents amounts are legally or contractually required to remain intact. In governmental fund type accounts, it also represents amounts that are not in a spendable form (e.g., inventories) as well as assets that neither represent available resources nor will result in revenue (e.g., long term loans).
- **Restricted** fund balance represents amounts for which constraints are placed on their use by the state constitution, enabling legislation or external resource providers such as creditors, grantors, or laws or regulations of other governments;
- **Committed** fund balance represents amounts that can only be used for specific purposes pursuant to constraints posed by state law as adopted by the state Legislature. The commitment of fund balance remains in place until the Legislature changes or eliminates the state law.
- **Assigned** fund balance represents the residual amounts that are

intended for a specific purpose by management, but are neither restricted nor committed.

- **Unassigned** fund balance represents the residual amount for the General Fund that is not contained in the other classifications. Additionally, any deficit fund balance within other governmental funds is reported as unassigned.

When more than one classification of fund balance (excluding nonspendable) are comingled in an account, assuming that an expenditure meets the constraints of more than one of the classifications, the assumed order of spending is restricted first, committed second, and finally assigned.

80.30.65.b For government-wide reporting and in proprietary fund type accounts, fund equity is called "net position." Net position is comprised of three components:

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, notes, and other debt as well as deferred inflows and outflows of resources that are attributed to the acquisition, construction, or improvement of those assets.
- **Restricted** net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on use of the assets by either by external parties or by law through constitutional provision or enabling legislation.
- **Unrestricted** net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the state's policy to use restricted resources first and then use unrestricted resources as they are needed. Refer to Section 85.80.

80.30.67 Revenues and expenses policy

July 1, 2011

80.30.67.a **Revenues.** For the government-wide Statement of Activities, revenues are classified as either "program" revenues or "general" revenues.

- **Program revenues** offset the expenses of major programs. These revenues are identified using the following criteria:

- Charges to customers for goods and services of the program. A customer is one who directly benefits from the goods or services or is otherwise directly affected by the program, such as a state citizen or taxpayer, or other governments or nongovernmental entities.

- Amounts received from outside entities that are restricted to one or more specific programs. These amounts can be operating or capital in nature.

- Earnings on investments that are restricted to a specific program are also considered program revenues.

- **General revenues** not included in program revenues are considered general revenues. They are not matched to specific program expenses. These revenues are from state taxpayers and from state-generated activities. General revenues include the following:

  - Taxes, even those levied for a specific purpose;

  - Interest earnings not specifically restricted to a specific program; and,

  - Grants and contributions not specifically restricted to a program.

- **Other revenues** are contributions to term and permanent endowments, contributions to permanent fund principal, special and extraordinary items, and transfers reported separately from, but in a manner consistent with, general revenues.

80.30.67.b **Expenses**. For government-wide reporting purposes, amounts reported as activity expenses include those expenses directly related to a major program. Depreciation/amortization on capital assets specifically identified with a given program is considered a direct expense. All other depreciation/amortization is reported as part of the "general government" program. Interest expense is not considered a direct expense except in those cases where its exclusion as a direct cost of a program would be misleading. In order to avoid "doubling up" of expenses, internal service fund activity is generally eliminated.

80.30.67.c **Operating/nonoperating**. The state's proprietary funds make a distinction between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing goods and services directly related to the principal operations of the funds. For example, operating revenues for the state's workers' compensation and health

insurance funds consist of premiums collected. Operating expenses consist of claims paid to covered individuals, claims adjustment expenses, costs of commercial insurance coverage, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating, including interest expense and investment gains and losses.

80.30.70 Insurance activities policy

May 1, 1999

In instances where the state has retained the risk of loss related to insurance type activities, claims and judgment liabilities are reported when it becomes probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrine, claims adjudication, and judgments, the process used in estimating claims liabilities does not necessarily result in an exact calculation. Claims liabilities are re-evaluated periodically to take into consideration recent settlements, claim frequency, and other economic, legal or social factors. Adjustments to claims liabilities are charged or credited to an expense in the period in which the adjustment is made.

80.30.75 Interfund activities policy

July 1, 2001

The state engages in two major categories of interfund/interagency activity: reciprocal and nonreciprocal.

Reciprocal interfund/interagency activity is the internal counterpart to exchange and exchange-like transactions and includes both interfund loans and services provided and used. Nonreciprocal activity is nonexchange in nature and includes both transfers and reimbursements.

As a general rule, the effect of interfund/interagency activities is eliminated for government-wide financial statement reporting purposes. Exceptions to this rule are charges between the state's employee health insurance and workers' compensation insurance programs and various other functions of the state. Elimination of these charges would distort the direct costs and program revenues reported for the various activities concerned. Refer to Section 85.90.

80.30.80 How to establish accounts

July 1, 2003

Accounts required by law to be maintained within the state treasury (Treasury Accounts) are established by legislative action. Treasury accounts are subject to appropriation unless specifically exempted.

The following is an example of the statutory language necessary to establish an account in the state treasury:

"The _____(title)_____ account is created in the state treasury. All receipts from _____(source)_____ shall be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for _____(purpose)_____."

Accounts located outside the state treasury are generally created in statute. Accounts located outside the state treasury are not subject to appropriation, but may be placed in the custody of the State Treasurer (Treasurer's Trust Accounts). The following is suggested statutory language for creating a non-appropriated account in the custody of the State Treasurer:

"The _____(title)_____ account is created in the custody of the state treasurer. All receipts from _____(source)_____ shall be deposited into the account. Expenditures from the account may be used only for _____(purpose)_____ . Only the director of _____(agency)_____ or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under Chapter 43.88 RCW, but no appropriation is required for expenditures."

Local accounts can be established outside the state treasury by the Office of Financial Management, pursuant to RCW 43.88.195, when an agency presents compelling reasons of economy and efficiency which could not be achieved by placing such accounts in the state treasury. However, as a matter of convenience to an agency or statutory requirement, the State Treasurer may take custody of such accounts and place them in a Treasurer's Trust account when conditions exist as prescribed in RCW 43.79A.020.

80.30.82 The state adopted a uniform chart of accounts

July 1, 2010

The Office of Financial Management (OFM) adopted a standard system of classifying agency financial information to fulfill the need for uniform, consistent terminology and classifications to be used for budgeting, accounting and reporting the financial activities of the state. Financial

transactions are described by means of alpha/numeric indicators which are assigned to descriptive titles. Chapter 75 of this manual presents the state's uniform chart of accounts.

For management purposes, agencies may maintain a more detailed level of accounting data. Optional agency designated codes include revenue sub-source, sub-program, and sub-subobject not associated with payroll processed through the Human Resource Management System (HRMS). Refer to Section 75.10.

Agency Code - The four character numeric code assigned by OFM to designate distinct operational units of state government.

Account Code - The three character alpha/numeric code assigned by OFM to identify each specific accounting entity against which transactions are recorded.

General Ledger (GL) Account Code - The four character numeric code assigned by OFM to identify the titles which classify, in summary form, all financial transactions of the state.

Revenue Source Code - The four character alpha/numeric code assigned by OFM to identify the origin, or originating categories, from which revenues/receipts are derived.

Program Code - The three character alpha/numeric code used to identify the agency functional area and the various major activities within an agency. Generally program codes are assigned by an agency with the concurrence of OFM; however, there are a limited number of mandatory statewide codes used to identify special functions.

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.

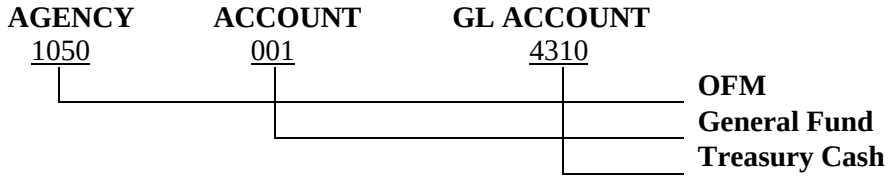
Object/ Subobject Code - The two character alpha code assigned by OFM to identify expenditures/expenses according to the character of the goods or services purchased.

Sub-subobject Code - The four character alpha/numeric code used to identify a particular expenditure/expense within a sub-object. Statewide sub-subobjects are assigned by OFM for use in processing payroll in HRMS.

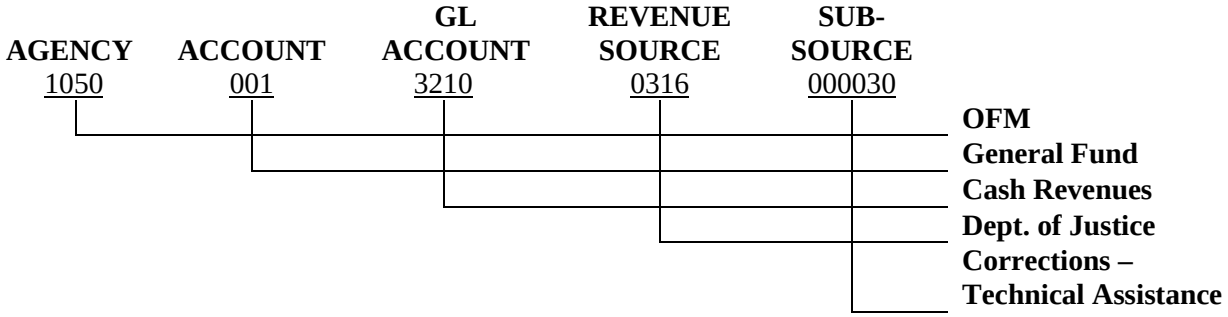
UNIFORM STATEWIDE ACCOUNT CODE STRUCTURE

The following diagrams illustrate the uniform statewide account code structure format for general ledger, revenue and expenditure/expense accounting:

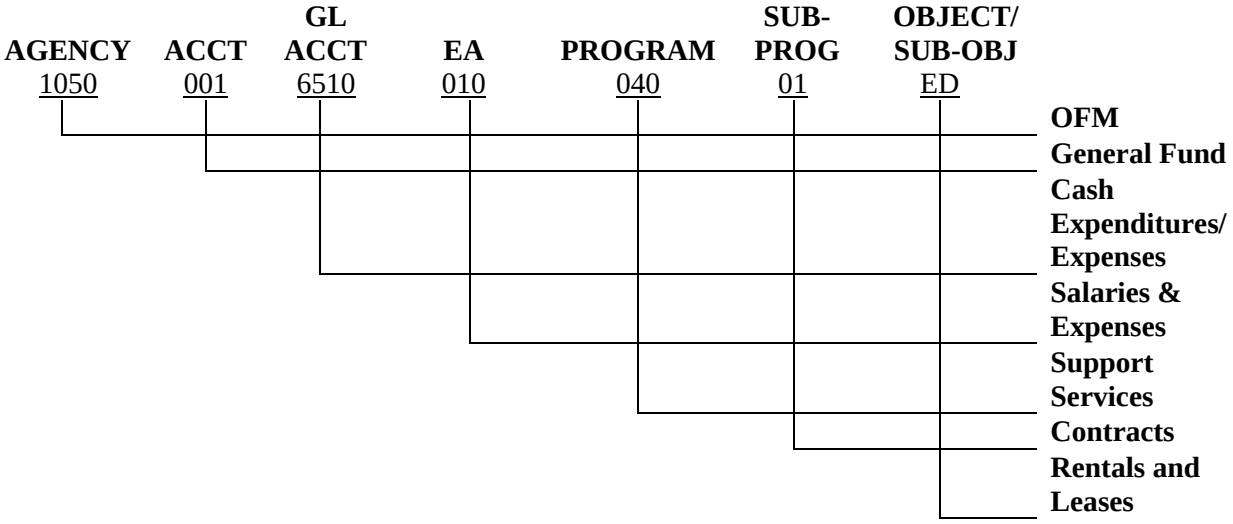
General Ledger Accounts



Revenue Accounts



Expenditure / Expenses Accounts



80.30.84 Required accounting steps

July 1, 2008

80.30.84.a The initial step in processing accounting information consists of receiving a source document in electronic or paper form, analyzing the transaction to determine its nature and then assigning the appropriate coding. Documents initiating accounting transactions include cash receipts, time sheets, purchase orders, invoice vouchers, and journal vouchers.

80.30.84.b Properly coded source documents are segregated into similar transaction type groupings and posted sequentially in the appropriate book of original entry. Books of original entry include cash receipts journal, payroll journal, and warrant register.

80.30.84.c As applicable, books of original entry are posted either manually or electronically to subsidiary ledgers and to control accounts in the general ledger.

80.30.84.d Periodic financial reports may be generated to support administrative and budgetary control. Examples of these reports include budget status report, accounts receivable aging report, and general ledger trial balance.

80.30.84.e Annually, statewide financial statements are prepared. Chapter 90 of this manual provides specific requirements and procedures for the production of the state's Comprehensive Annual Financial Report (CAFR).

Additionally, agencies may produce agency financial statements or reports. In doing so, they must use the information submitted to the centralized statewide accounting systems. Any variance between centralized statewide data and agency issued financial statements is to be reconciled and disclosed in the notes to the agency's financial statements. However, if the separately issued statements use different reporting standards, the agency is to clearly indicate in the notes to the agency financial statements which standards were used and how they differ from those used in the state's CAFR.

80.30.86 Using standard or other accounting forms

June 1, 2014

Standard forms have been developed and are prescribed for use by state agencies to support the accounting, budgeting and administrative functions.

Privacy Notice: Safeguarding and disposition of personal information collected by agencies on standard forms must be consistent with Executive Order 00-03, April 25, 2000; OCIO Policy 141; and RCW 42.56.210.

Any revision by an agency to a standard form or the origination of a new form by an agency that is to be used as an accounting source document to support disbursements or collections of state funds must be approved in writing by the Office of Financial Management, Statewide Accounting, prior to adoption.

Overprinting, such as agency name and address, is not considered a revision and therefore is not subject to approval. Copies of approved revised or new forms, when received from the printer/manufacturer, are to be furnished to Statewide Accounting.

80.30.88 Requirements for agencies implementing, maintaining or modifying accounting or reporting systems

July 1, 2012

80.30.88.a Any agency proposing to invest in agency financial or administrative systems must comply with the provisions of this manual and the rules prescribed by the Office of Financial Management, Office of the Chief Information Officer (OCIO).

Financial data generated by agency systems must be compatible with the requirements of the centralized statewide systems operated by the Department of Enterprise Services.

80.30.88.b Enterprise-wide or multiple agency systems are the solutions of choice to meet the financial/administrative needs of state agencies. Any material changes to existing and all new agency unique financial/administrative systems are to have the written approval of the OCIO **prior to** beginning any significant investments in system development, enhancement, or acquisition, regardless of funding source. For purposes of these requirements, “significant investments” are defined as requiring six or more staff months of effort.

Requests for approval are to be made to the OCIO. Agencies are to submit a request form, enterprise-wide opportunity assessment and business justification. The business justification must include an evaluation of each of these alternatives:

1. Does a cost-effective, central-system solution exist?

2. Can the agency be more flexible in how its needs are met; or can a central system be modified in a cost-effective, timely way to meet the needs?

3. Can the needs be met by creating an agency-unique extension to a central system or central database rather than a completely new system?

4. Does a partnership opportunity exist where one or more other agencies can join together to share in the creation of a new, shared system solution?

For additional information refer to:
http://www.ofm.wa.gov/systemsapproval/default.asp.

Financial/administrative systems generally require the approval of the OCIO. Any new or revised financial/administrative system must comply with the other provisions of this manual.

80.30.90 Budgetary data must be maintained

July 1, 2009

Budgetary data is integrated in the uniform account code structure and is required to be maintained by each agency. The budgetary data is used to reflect budget operations such as estimated revenues, expenditure authorities, and estimated expenditures. Section 85.10 of this manual provides further information related to budgetary data.

80.30.92 Agency fiscal activities must be organized to provide effective internal control

July 1, 2004

Agency fiscal activities are to be organized in such a manner as to provide the maximum degree of internal control in the most efficient and effective manner. Specific organization arrangements are left to the discretion of the agency; due to the diverse nature of state agency operations, examples will not be illustrated in this manual. Agencies are responsible for establishing and maintaining effective internal control over financial reporting. An agency's system of internal controls must comply with the internal control requirements prescribed in Chapter 20 of this manual.

This page intentionally left blank.

Chapter 85 - Accounting Procedures

85.10 Budgetary Accounting Procedures

85.10.10	These procedures apply to budgeted accounts	June 1, 2004
85.10.20	Budgetary accounting requirements	July 1, 2009

85.15 Budgetary Accounting - Illustrative Entries

85.15.05	These entries are for illustrative purposes	July 1, 2008
85.15.10	Establish expenditure authority for budgeted accounts	July 1, 2008
85.15.15	Allotments for budgeted accounts	July 1, 2008
85.15.16	FTEs for budgeted accounts	July 1, 2008
85.15.17	Decrease FTEs for budgeted accounts	July 1, 2008
85.15.20	Estimated revenues for budgeted accounts	May 1, 1999
85.15.25	Decrease estimated revenues for budgeted accounts	May 1, 1999
85.15.30	Transfer unobligated allotments to reserve for budgeted accounts	May 1, 1999
85.15.35	Re-allotment of amounts placed in reserve for budgeted accounts	May 1, 1999
85.15.40	Revert unobligated allotments to unallotted status for budgeted accounts	May 1, 1999
85.15.45	Transfer unallotted legislative appropriations to reserve for appropriated accounts	May 1, 1999
85.15.50	Transfer legislative appropriations placed in reserve to unallotted status for appropriated accounts	May 1, 1999
85.15.55	Abolish or decrease legislative appropriations for appropriated accounts	May 1, 1999
85.15.60	Close of accounting period for budgeted accounts	May 1, 1999

85.20 Revenue and Cash Receipts

85.20.10	Collection and deposit of receipts	July 1, 2009
85.20.20	Prudent collection processes	July 1, 2001
85.20.30	Non-revenue receipts	July 1, 2003
85.20.40	Proceeds from sale of property	Jan. 1, 2012
85.20.50	Undistributed receipts	May 1, 1999
85.20.60	Receipts placed in suspense	July 1, 2009
85.20.70	Refunds of revenue	May 1, 1999
85.20.80	Subsidiary records	May 1, 1999
85.20.90	Deposit interest distribution by OST	June 1, 2005

85.22 Deposit Adjustments and Returned Payments

85.22.10	About these procedures	May 1, 1999
85.22.20	Documentation for deposit adjustments	July 1, 2008
85.22.30	Deposit adjustments - treasury and trust accounts	July 1, 2009
85.22.40	Deposit adjustments - local accounts	July 1, 2009
85.22.50	Returns and reversals of AFRS ACH payments	July 1, 2012

85.24 Revenue and Cash Receipts - Illustrative Entries

85.24.10	These entries are for illustrative purposes	May 1, 1999
85.24.20	Estimated revenue	May 1, 1999
85.24.30	Deposit of cash revenues	May 1, 1999
85.24.40	Cash over or short	May 1, 1999
85.24.50	Recording adjustment for non-sufficient funds (NSF) check	July 1, 2008
85.24.60	Subsequent collections of non-sufficient funds (NSF) check	July 1, 2009
85.24.65	Recording receipt of returned AFRS ACH payment	July 1, 2009
85.24.70	Undistributed receipts - account and/or revenue source not identified	May 1, 1999
85.24.80	Receipts placed in suspense	July 1, 2009

85.30 Encumbrances

85.30.10	Encumbrance accounting	July 1, 2013

85.32 Goods and Services Expenditures

85.32.10	Agency responsibilities	July 1, 2008
85.32.15	Special definitions	Jan. 1, 2012
85.32.20	Expenditure authorization	Jan. 1, 2012
85.32.25	Priority of expenditures	June 7, 2012
85.32.30	Payment processing documents	July 1, 2013
85.32.40	Payment processing	June 1, 2014
85.32.50	Timing of payment	June 7, 2012
85.32.60	Rapid invoice processing	June 1, 2002
85.32.70	Purchase card	Jan. 1, 2013
85.32.80	Waste recycling procedures	Jan. 1, 2012

85.34 Payroll and Other Related Activities

85.34.10	Payroll	July 1, 2011
85.34.20	Shared leave	July 1, 2011
85.34.30	Amounts due deceased employees	May 1, 1999
85.34.40	Salary overpayment recoveries	June 1, 2004

85.36 Disbursement Processing

85.36.10	Agency disbursement processes	July 1, 2000
85.36.20	Disbursement mechanisms	July 1, 2013
85.36.30	Treasury account requirements	Jan. 1, 2012
85.36.40	Local account requirements	July 1, 2010
85.36.50	Recording	July 1, 2010

85.38 Other Warrant Procedures

85.38.10	Agency-initiated warrant cancellations	July 1, 2013
85.38.15	Non-deliverable warrant	July 1, 2012
85.38.20	Lost or destroyed warrants	July 1, 2015
85.38.30	Redeemed warrants reported as lost or destroyed	July 1, 2013
85.38.40	Statutorily canceled warrants	June 1, 2014
85.38.50	Liability for canceled warrants/checks	May 1, 1999
85.38.60	"X" warrants	Jan. 1, 2012
85.38.70	"X" and blank state warrant stock control procedures	Jan. 1, 2012
85.38.80	Warrant voiding and destruction procedures	Jan. 1, 2012
85.38.90	Local check control procedures	May 1, 1999

85.40 Belated and Sundry Claims

85.40.10	Belated claims	Jan. 1, 2016
85.40.20	Sundry claims	Jan. 1, 2016

85.42 Expenditures, Expenses, and Cash Disbursements - Illustrative Entries

85.42.10	These entries are for illustrative purposes	May 1, 1999
85.42.20	Encumbrances	June 1, 2011
85.42.30	Expenditure/expense disbursements	May 1, 1999
85.42.40	Recording payroll	July 1, 2011
85.42.50	Recording shared leave	May 1, 1999
85.42.60	Amounts due deceased employees	May 1, 1999
85.42.70	Salary overpayment recoveries	May 1, 1999
85.42.80	Cancellations of non-deliverable, SOL, and lost or destroyed warrants	July 1, 2012
85.42.85	Cancellation of warrants issued in error	July 1, 2012
85.42.90	Reissuance of canceled warrants	July 1, 2012
85.42.95	Forged endorsement	May 1, 1999

85.50 Cash

85.50.10	Deposit of treasury or treasury trust receipts	July 1, 2011
85.50.20	Deposit of local receipts	July 1, 2008
85.50.30	Undeposited receipts	May 1, 1999
85.50.40	Reconciliation of cash receipts and deposits	July 1, 2011
85.50.50	Petty cash - general information	July 1, 2011
85.50.60	Accounting for petty cash in treasury accounts	June 1, 2015
85.50.70	Accounting for petty cash in local accounts (including treasury trust accounts)	June 1, 2015

85.52 Investments

85.52.10	About investments	July 1, 2003
85.52.20	Short-term investments	June 1, 2003
85.52.30	Non-current investments	July 1, 2015
85.52.40	Investment pools	July 1, 2010
85.52.50	Permanent funds	July 1, 2013
85.52.60	Deferred compensation plans (IRC Section 457)	July 1, 2001
85.52.70	Securities lending	May 1, 1999
85.52.80	Reverse purchase agreements	May 1, 1999
85.52.90	Subsidiary ledgers are required for certain investments	May 1, 1999

85.54 Receivables

85.54.10	About receivables	July 1, 2012
85.54.15	Taxes receivables	July 1, 2009
85.54.20	Due from federal government	June 1, 2013
85.54.25	Due from other governments	June 1, 2013
85.54.30	Due from other accounts	July 1, 2009
85.54.35	Due from other agencies	July 1, 2009
85.54.40	Notes and loans receivable	June 1, 2011

85.54.42	Private donation pledges	July 1, 2004
85.54.44	Travel advances receivable	July 1, 2010
85.54.45	Other receivables	July 1, 2004
85.54.50	Receivable collection procedures	June 1, 2014
85.54.52	Collecting NSF checks	Jan. 1, 2012
85.54.55	Uncollectible receivables	July 1, 2008
85.54.60	Documentation	May 1, 1999
85.54.65	Subsidiary ledgers	July 1, 2012

85.56 Inventories

85.56.10	Inventory management and control procedures are in Chapter 35	May 1, 1999
85.56.20	Consumable inventories	June 1, 2014
85.56.30	Merchandise inventories in proprietary fund type accounts	May 1, 1999
85.56.40	Donations of consumable inventories	Jan. 1, 2014

85.58 Prepaid Expenses

85.58.10	Prepaid expenses	July 1, 2008

85.60 Capital Assets

85.60.10	About capital assets	July 1, 2009
85.60.20	Asset valuation	July 1, 2001
85.60.30	Acquisition of capital assets	July 1, 2015
85.60.40	Depreciation/amortization of capital assets	June 1, 2013
85.60.45	Impairment of capital assets and related insurance recoveries	July 1, 2009
85.60.50	Disposal of capital assets	Jan. 1, 2014
85.60.60	Reconciliation of capital assets	July 1, 2012
85.60.70	Capital assets acquired through capital lease	July 1, 2008

85.60.80	Capital assets acquired through Certificates of Participation (COP)	July 1, 2012
85.60.90	Accounting for the construction of capital assets	July 1, 2008
85.60.95	Accounting for the transfer of vehicles to the State Motor Pool	Jan. 1, 2012
85.60.97	Accounting for Interagenyc/Interfund Capital Asset Transfers	Jan. 1, 2014

85.65 Assets - Illustrative Entries

85.65.10	These entries are for illustrative purposes	May 1, 1999
85.65.12	Deposit of cash revenues	May 1, 1999
85.65.14	Petty cash - treasury and treasury trust accounts	June 1, 2015
85.65.16	Petty cash - local accounts	June 1, 2015
85.65.18	Accounting for the acquisition of non-current investments	Jan. 1, 2014
85.65.20	Accounting for earnings and costs associated with non-current investments	July 1, 2003
85.65.22	Accounting for fair value adjustment to non-current investments	July 1, 2013
85.65.24	Accounting for the sale of non-current investments	July 1, 2013
85.65.28	Accounting for deferred compensation (IRC Section 457)	June 1, 2011
85.65.30	Taxes receivable	May 1, 1999
85.65.32	Receivables	July 1, 2001
85.65.33	Travel advances receivable	July 1, 2010
85.65.34	Due from federal government	May 1, 1999
85.65.36	Long-term loans	June 1, 2011
85.65.38	Consumable inventories - periodic inventory method	June 1, 2011
85.65.40	Consumable inventories - perpetual inventory method	May 1, 1999
85.65.42	Merchandise inventories in proprietary fund type accounts - periodic inventory method	May 1, 1999
85.65.44	Merchandise inventories in proprietary fund type accounts - perpetual inventory method	May 1, 1999
85.65.46	Donations of consumable inventories	Jan. 1, 2014
85.65.50	Prepaid expenses	May 1, 1999
85.65.52	Acquisition of capital assets	July 1, 2015

85.65.54	Assets that do not meet the state's capitalization policy	July 1, 2009
85.65.56	Depreciation/amortization	July 1, 2009
85.65.58	Disposal of capital assets	July 1, 2012
85.65.60	Trade-in of capital assets	July 1, 2008
85.65.62	Capital assets acquired through capital lease	July 1, 2006
85.65.64	Accounting for the construction of capital assets	July 1, 2009
85.65.66	Interagency/Interfund Capital Asset Transfers	Jan. 1, 2014

85.70 Short-Term Liabilities

85.70.10	About short-term liabilities	May 1, 1999
85.70.20	Establishing short-term liabilities	July 1, 2009
85.70.30	Accounts payable	May 1, 1999
85.70.40	Unavailable revenues	June 1, 2015
85.70.45	Unearned revenues	June 1, 2015
85.70.50	Short-term portion of long-term obligations	June 1, 2004

85.72 Long-Term Obligations

85.72.10	About long-term obligations	June 1, 2013
85.72.15	State Finance Committee approval	July 1, 2008
85.72.20	Bonds payable	June 1, 2013
85.72.30	Lease-purchase agreements payable	July 1, 2014
85.72.40	Certificates of Participation (COP)	June 1, 2013
85.72.50	Vacation leave payable	July 1, 2009
85.72.60	Sick leave payable	June 1, 2004
85.72.65	Compensatory time payable	July 1, 2009
85.72.70	Termination benefits	July 1, 2006

85.74 Special Liabilities

85.74.10	Vendor payment advance	May 1, 1999
85.74.20	Public works contracts - retention of payments	July 1, 2012
85.74.30	Unclaimed property	July 1, 2008
85.74.40	Claims and judgments	Oct. 1, 2011
85.74.50	Pollution remediation obligations	July 1, 2009
85.74.55	Other post employment benefit (OPEB) obligations	July 1, 2008

85.80 Fund Equity

85.80.10	Fund equity	June 1, 2013

85.85 Liabilities and Equity - Illustrative Entries

85.85.10	General	July 1 , 2003
85.85.15	Establishment of short-term liabilities	May 1, 1999
85.85.20	Payment of short-term liabilities	May 1, 1999
85.85.24	Unavailable revenues	June 1, 2013
85.85.25	Unearned revenues	June 1, 2015
85.85.30	Fund bond debt issuance and servicing	June 1, 2013
85.85.35	General obligation bond debt issuance and servicing	Jan. 1, 2011
85.85.40	Lease-purchase agreements	Mar. 17, 2010
85.85.45	Equipment Certificates of Participation (COP)	June 1, 2013
85.85.50	Real Estate Certificates of Participation (COP)	June 1, 2013
85.85.52	Real Estate Certificates of Participation (COP) refunding	June 1, 2013
85.85.55	Vendor payment advances	July 1, 2003
85.85.60	Retention of payments	July 1, 2012
85.85.65	Claims and judgments	July 1, 2001

85.90 Interfund/Interagency Activities

85.90.10	Interfund/interagency activities	July 1, 2008
85.90.20	Interfund loans	July 1, 2001
85.90.30	Interfund/interagency services provided and used	Jan. 1, 2012
85.90.40	Payment procedures for selected central services agency charges	June 1, 2016
85.90.50	Transfers	July 1, 2008
85.90.60	Reimbursements (Objects S & T)	July 1, 2009
85.90.70	Agency vendor payment revolving account charges	July 1, 2001

85.95 Interfund/Interagency Activities - Illustrative Entries

85.95.10	These entries are for illustrative purposes	July 1, 2001
85.95.20	Transfers of equity	July 1, 2003
85.95.30	Operating transfers	July 1, 2003
85.95.35	Special budgeted allocation transfers	July 1, 2008
85.95.40	Interfund/interagency services provided and used	July 1, 2008
85.95.50	Intra-agency reimbursements (Object T)	July 1, 2008
85.95.60	Interagency reimbursements (Object S)	July 1, 2008
85.95.70	Agency vendor payment revolving account	July 1, 2001

85.10
Budgetary Accounting Procedures

85.10.10 These procedures apply to budgeted accounts

June 1, 2004

This subsection describes budgetary accounting procedures and applies to appropriated and/or allotted accounts.

85.10.20 Budgetary accounting requirements

July 1, 2009

85.10.20.a An agency's expenditure authority is provided by the Legislature through appropriations in a budget bill or inclusion of non-appropriated account moneys in the legislative budget system, and by the Governor and OFM through allocations, approval of unanticipated receipts, or across-the-board spending reductions. An agency may not expend or obligate funds in excess of its expenditure authority.

Allotments are detailed plans of the scheduled revenues and expenditures authorized in the budget and the related cash receipts and disbursements. An agency's actual spending will be monitored against the allotments by the agency, OFM, the Legislature, and the public. Allotments must:

- Conform to the terms, limits, or conditions of Legislative appropriations.
- Serve as the agency's best estimate of the money it will spend and the revenue it will collect each month and year of the biennium.
- Provide the agency's best estimate of expected cash flows by month.

Agencies are required to record budget transactions in the state's accounting records to reflect the legislative operating and capital appropriations and expenditure authority (original and supplemental), reappropriations of capital appropriations, unanticipated receipts allotments, expenditure allotments and reserves, estimated revenue allotments, and cash receipt and disbursement allotments after receiving approval from the OFM Budget Division.

For further information on allotment requirements, refer to the applicable OFM Operating and Capital Allotment Instructions and the Ten-year Capital Plan Instructions available on the OFM Budget Division website at: http://www.ofm.wa.gov/budget/instructions/default.asp.

85.10.20.b Agencies are to submit proposed allotment plans to OFM using TALS (The Allotment System). After approval by OFM, the entries illustrated in Section 85.15 are automatically generated by TALS, and are recorded in the Agency Financial Reporting System (AFRS).

85.10.20.c Encumbrances are another budgetary tool that can be used in accounts subject to allotments. Refer to Section 85.30 of this manual for further information on encumbrances. For illustrative entries to record and close encumbrances, refer to Subsection 85.42.20.

85.15 Budgetary Accounting - Illustrative Entries

85.15.05 These entries are for illustrative purposes

July 1, 2008

These entries are automatically generated by TALS (The Allotment System) and are recorded in the Agency Financial Reporting System (AFRS). These entries are for illustrative purposes **only** and should **not** be considered all-inclusive.

85.15.10 Establish expenditure authority for budgeted accounts

July 1, 2008

To record original and supplemental appropriations, approved unanticipated receipts for appropriated accounts, and estimated budgeted expenditures for nonappropriated/allotted accounts. The total expenditure authority is to be posted:

Dr.		Cr.
Budgetary Control Summary (9100)	xxx	
Approved Unallotted Expenditure Authority (6110)		xxx

85.15.15 Allotments for budgeted accounts

July 1, 2008

To record approved allotments in budgeted accounts:

Dr.		Cr.
Approved Unallotted Appropriations (6110)	xxx	
Approved Allotments (6210)		xxx

85.15.16 FTEs for budgeted accounts
July 1, 2008

To record approved FTEs in budgeted accounts:

Dr.		Cr.
Approved Estimated FTEs (0110)	xxx	
Statistical Clearing Account (0998)		xxx

85.15.17 Decrease FTEs for budgeted accounts
July 1, 2008

To record decrease in approved FTEs in budgeted accounts:

Dr.		Cr.
Statistical Clearing Account (0998)	xxx	
Approved Estimated FTEs (0110)		xxx

85.15.20 Estimated revenues for budgeted accounts
May 1, 1999

To record estimated revenues or additional revenue estimates due to documented changes in conditions:

Dr.		Cr.
Approved Estimated Revenues (3110)	xxx	
Budgetary Control Summary (9100)		xxx

85.15.25 Decrease estimated revenues for budgeted accounts
May 1, 1999

To record a decrease in estimated revenues due to documented changes in conditions:

Dr.		Cr.
Budgetary Control Summary (9100)	xxx	
Approved Estimated Revenues (3110)		xxx

85.15.30 Transfer unobligated allotments to reserve for budgeted accounts

May 1, 1999

To record the transfer to reserve status of the unobligated balance of approved allotments:

Dr.		Cr.
Approved Allotments (6210)	xxx	
Approved Reserves (6310)		xxx

85.15.35 Re-allotment of amounts placed in reserve for budgeted accounts

May 1, 1999

To record the approved re-allotment of amounts previously transferred to reserve:

Dr.		Cr.
Approved Reserves (6310)	xxx	
Approved Allotments (6210)		xxx

85.15.40 Revert unobligated allotments to unallotted status for budgeted accounts

May 1, 1999

To record the return of unobligated amounts previously allotted to an unallotted status:

Dr.		Cr.
Approved Allotments (6210)	xxx	
Approved Unallotted Appropriations (6110)		xxx

85.15.45 Transfer unallotted legislative appropriations to reserve for appropriated accounts

May 1, 1999

To record approved transfers of unallotted legislative appropriations to reserve status for appropriated accounts:

Dr.		Cr.
Approved Unallotted Appropriations (6110)	xxx	
Approved Reserves (6310)		xxx

85.15.50 Transfer legislative appropriations placed in reserve to unallotted status for appropriated accounts

May 1, 1999

To record approved transfers of legislative appropriations previously placed in reserve to unallotted status for appropriated accounts:

Dr.		Cr.
Approved Reserves (6310)	xxx	
Approved Unallotted Appropriations (6110)		xxx

85.15.55 Abolish or decrease legislative appropriations for appropriated accounts

May 1, 1999

To record legislative approval to abolish or reduce appropriations for appropriated accounts:

Dr.		Cr.
Approved Unallotted Appropriations (6110)	xxx	
Budgetary Control Summary (9100)		xxx

85.15.60 Close of accounting period for budgeted accounts

May 1, 1999

To record closing entries for budgetary accounts at the end of the biennium:

Dr.		Cr.
Approved Unallotted Appropriations (6110)	xxx	
Approved Allotments (6210)	xxx	
Approved Reserves (6310)	xxx	
Budgetary Control Summary (9100)	xxx	or xxx
Approved Estimated Revenues (3110)		xxx

85.20
Revenue and Cash Receipts

85.20.10 Collection and deposit of receipts

July 1, 2009

85.20.10.a **Receipt Forms**

- **Format -** A standard cash receipt format is not prescribed as a state form. However, agencies are required to develop and adopt an official receipt form that satisfies their unique requirements. The form adopted is to be pre-numbered. At a minimum, the form is to provide for the following information: date, amount, mode of payment, and identification of the agency and the preparer.

  Machine generated receipts (e.g., cash register) and automated cashiering systems that provide the required control data are acceptable. Cash registers and automated cashiering systems should be configured to provide a receipt for the payee and a copy for the agency.

- **Use** - Collections made over the counter or in the field are to be documented by issuance of an official receipt or through cash registers or automated cashiering systems. Receipts are to be issued in numeric sequence and the numeric sequence is to be strictly controlled. It is not necessary to issue cash receipts for remittances received through the mail. In instances where a cash receipt is not required to be issued, other internal control procedures are to be established to ensure proper accounting. Refer to Chapter 20 of this manual for guidance related to internal control procedures.

85.20.10.b **Record of Cash Receipts -** Agencies are to maintain daily cash receipt records reflecting all daily receipts by account and source. Where cash registers or automated cashiering systems are used, this could be the machine generated control tape or electronic daily transaction register.

85.20.10.c **Reconciliation of Cash Receipts -** On a daily basis, collections are to be counted and reconciled with cash receipt records and local account deposit slips. Any differences between the deposits and records of receipts are to be investigated and resolved.

85.20.10.d **Cash Over and Short:**

- Cash over and short is to be separately recorded in the accounting records. The agency is to make the necessary entries to properly reflect cash over and short in the General Ledger.
- Revenue Source Code 0490 "Cash Over and Short" is to be used to record the amount of overage or shortage so that the total recorded in the General Ledger agrees with the amount deposited. Revenue Source Code 0490 provides a record on the books of the agency of the amount and the frequency of overages and shortages. (Refer to Subsection 85.24.40 for an illustrative entry.)
- Recovery of cash shortages or redistribution of overages is to be processed through Revenue Source Code 0490.
- The balances of Revenue Source Code 0490 and the transactions affecting these balances are to be analyzed regularly and controlled to reduce the possibility of misappropriated cash.

85.20.10.e **Deposit of Cash Receipts:**

- Generally, cash receipts must be deposited intact each day for the collections of the previous business day. Refer to Section 85.50.
- For treasury/treasury trust accounts, agencies are to use a Cash Receipts Journal Summary document (A8) or the equivalent in TM$ (Treasury Management System) for deposits of checks and cash, incoming wire transfers, and/or incoming Automated Clearing House (ACH) transactions with the OST.
- Local account deposits are to be controlled and documented by the use of bank deposit slips.

Refer to Subsection 85.24.30 for an illustrative entry.

85.20.20 Prudent collection processes

July 1, 2001

Agencies are encouraged to exercise prudent cash management in the handling of cash receipts. Agency receipting policies should ensure the most efficient and timely collection possible and minimize the cost of collection. Agencies can use various receipt mechanisms to collect amounts due the state, including lock box, electronic fund transfers and, with approval from OFM, credit and debit cards. Refer to Chapter 40.

85.20.30 Non-revenue receipts

July 1, 2003

Agencies may receive monies that do not meet the definition of revenue contained in the glossary of this manual. Such receipts generally represent items such as recovery of expenditures, canceled warrants, refunds of forgeries, State Employees Insurance Board Insurance premium refunds, undistributed receipts, and interagency reimbursements. These amounts are to be classified and recorded as non-revenue receipts in the General Ledger.

Receipts for recoveries of authorized current appropriation expenditures represent an offset to current appropriation allotment charges and are recorded either using Revenue Source Code 0902 “Recoveries of Current Appropriation Expenditures” or as a credit against the current appropriation expenditure that was originally charged. Entries needed to clear Revenue Source Code 0902 and adjust the current appropriation allotment charges are to be recorded at least monthly.

Receipts for recovery of an expenditure charged against a prior appropriation are recorded with a credit to GL Code 3210 “Cash Revenues” using Revenue Source Code 0486 “Recoveries of Prior Expenditure Authority Expenditures” and do not offset current appropriation allotment charges.

85.20.40 Proceeds from sale of property

January 1, 2012

The proceeds realized from the sale of property by the Department of Enterprise Services under the provisions of RCW 43.19.1919 are remitted to the agency holding title to the property. The amount is to be deposited by the agency to the account from which such property was purchased or if such account no longer exists, into the General Fund. The following procedures apply to the recording of these proceeds:

If the net proceeds were included in the budget for new asset acquisition, the amount is to be recorded as reduction of the expenditures/expenses charged for the purchase of the new asset. Refer to Subsection 85.65.58 for illustrative entries.

In governmental fund type accounts, unless specifically budgeted, the proceeds realized, if material, from the sale of surplus property are **not** to be used to reduce the expenditures related to current acquisitions. Absent specific inclusion in the budget, the net proceeds realized from the sale of surplus property are to be recorded as Revenue Source Code 0416 "Sale of Property - Other." Refer to Subsection 85.60.50.a.

In proprietary and trust fund type accounts, the net of the sale proceeds and the removal of the capital asset and related accumulated depreciation is recorded as GL Code 3213 "Gain and Loss on Sale of Capital Assets" using Revenue Source Code 0418 "Gain or Loss on Sale of Capital Assets." Refer to Subsection 85.60.50.b.

85.20.50 Undistributed receipts

May 1, 1999

Deposit of moneys is not to be delayed because of difficulty in determining account and source. Upon permission from the Office of the State Treasurer (OST), those receipts not immediately identifiable are to be deposited to Account 01R "Undistributed Receipts Account." Refer to Subsection 85.24.70.a for an illustrative entry.

At a subsequent date when receipts deposited in the Undistributed Receipts Account are identified as to the source and account, a Journal Voucher document is to be submitted to OST, transferring these funds from Account 01R, to the proper account and revenue source code. The Journal Voucher document is to be restricted to information pertaining to transfer of amounts from Account 01R to the proper account and not commingled with other transfer transactions. Refer to Subsections 85.24.70.b and c for illustrative entries.

85.20.60 Receipts placed in suspense

July 1, 2009

If the daily receipts are identifiable by account, but cannot be immediately allocated to a specific revenue source code, the transaction is to be credited to the applicable account and classified as Revenue Source Code 0920 "Items Placed in Suspense." As soon as a determination can be made of the proper revenue source code(s), the agency is to clear the Revenue Source Code 0920. Revenue Source Code 0920 is to have a zero balance at the end of the fiscal year.

Receipts which are to be applied or refunded at a later date or moneys contingent on an unknown final disposition, and not subject to the Undistributed Receipts procedure above, are to be transmitted to the Office of the State Treasurer and deposited in the State Treasury by a credit to Account 01P "Suspense Account."

As soon as a determination can be made of the proper account or accounts to charge or credit for items placed in suspense, the agency is to clear the item(s) in the Suspense Account 01P. Refer to subsection 85.24.80 for illustrative entries.

85.20.70 Refunds of revenue

May 1, 1999

In the event fees or other payments are collected and deposited by an agency that are subsequently determined to be erroneous or excessive, the agency may refund the overpayment. Refunds of revenues are to be in accordance with the provisions of RCW 43.88.170 and 43.01.072 through 43.01.075.

Refunds may be made when there has been as error with respect to:

- The amount of fee or payment collected;
- The necessity of making or securing a permit, filing, examination or inspection;
- The sufficiency of the credentials of the applicant;
- The eligibility of the applicant for any other reason; and/or
- The necessity for payment.

Unless an appropriation exists for such a refund, it is to be accounted for as a reduction of the revenue initially credited upon receipt of the overpayment.

No refund shall be authorized by a state agency where the amount is two dollars or less unless demand for the refund is made within six months of the overpayment.

85.20.80 Subsidiary records

May 1, 1999

Subsidiary records are to be used to record actual and estimated revenues by account and revenue source. In some cases, however, to allow for proper financial control and analysis, reporting revenues at a lower level may be required. Subsidiary records are to balance with general ledger control accounts.

85.20.90 Deposit interest distribution by OST

June 1, 2005

The Office of the State Treasurer (OST) reports all interest earned on surplus cash balances for Treasury and Treasury Trust Accounts. The distribution of deposit interest is recorded in Agency 705, Treasurer's Deposit Income. The administering agency will receive, upon request, a copy of OST's journal voucher indicating the interest earnings distributed to the administering agency's account(s) in Agency 705. OST's journal voucher is for informational purposes and is not to be posted to the administering agency's records.

85.22
Deposit Adjustments and Returned Payments

85.22.10 About these procedures
May 1, 1999

These procedures cover items returned or adjustments made by the bank for the following reasons:

- Non sufficient funds (NSF) checks
- Missing signature(s) on check
- Stop payment placed on check
- Account closed
- Deposit adjustment found during bank's proof process
- Other reasons causing return of checks or adjustments to the state's bank accounts

85.22.20 Documentation for deposit adjustments
July 1, 2008

85.22.20.a An agency is to maintain adequate detail records to document a bank deposit adjustment. For deposit adjustments resulting in an amount due the state (e.g., NSF checks), document the following information in subsidiary records:

- Name of maker and amount.
- Date of check and bank upon which it was drawn.
- The date of the **initial** deposit of the check subsequently returned and the Revenue Source and Sub-source (if applicable) codes or other account coding to which the check was **initially** credited.

85.22.20.b For adjustments to cash in treasury/treasury trust accounts to reflect a returned item or bank adjustment, document the following:

- The number identifying the Cash Receipt Journal Summary (A8-A) showing Office of the State Treasurer’s (OST) adjustment to cash in the bank to reflect the item returned or adjustment by the bank.

- The date and coding of the subsequent redeposit of the returned item, if such subsequent collection is actually realized or the number identifying the Cash Receipt Journal Summary (A8-A) reflecting the subsequent redeposit.

Refer to further Subsection 85.54.52 for collection information related to NSF checks.

85.22.30 Deposit adjustments - treasury and treasury trust accounts

July 1, 2009

For **Treasury and Treasury Trust accounts**, when notified by the bank that an adjustment has been posted to the state's bank account, OST will prepare a Cash Receipt Journal Summary (A8), in the name of the agency that **initially** deposited the returned item. OST will record the adjustment in Account 01P, "Suspense Account," adjusting GL Codes 4310 "Current Treasury Cash Activity (OST Only)" and 7110 "Receipts In-Process." OST will send the agency a copy of the Cash Receipt Journal Summary along with the NSF check, deposited item returned, or Deposit Adjustment Notice. The deposit adjustment current document number will start with "ADJ."

The agency is to record the deposit adjustment or returned check:

- Using the Cash Receipts Journal Summary (A8) prepared by OST, clear receipts in process in Account 01P and establish a receivable for the amount of the returned item. Refer to Subsection 85.24.50 for an illustrative entry.

- Clear the receivable in Account 01P by a journal entry adjusting the GL Code where the amount was originally recorded in the agency's operating account. This is normally revenue, but may be expenditure recovery or receivable liquidation. If a revenue, use either Revenue Source Code 0940 "Deposit Adjustments and Returned Checks" or the revenue source code used on the initial deposit. OST will clear Account 01P with the journal entry reflecting the adjustment. Refer to Subsection 85.24.50 for an illustrative entry.

At fiscal year end, reclassify any residual balance in Revenue Source Code 0940 to the appropriate asset, liability, revenue, or expenditure/expense GL code.

Deposit subsequent collection of amounts for which a journal entry adjustment was posted with a Cash Receipt Journal Summary (A8). Refer to Subsection 85.24.60 for an illustrative entry.

85.22.40 Deposit adjustments - local accounts

July 1, 2009

For **local accounts**, redeposit returned items as soon as possible. Items returned a second time and other bank deposit adjustments are posted to accounting records by debiting/crediting GL Codes 1110 "Cash in Bank." A receivable is to be established for deposit adjustments resulting in amounts due the state (e.g., NSF checks).

For other types of adjustments, the cash entry is offset by debiting/ crediting GL Codes 3210 "Cash Revenues" for revenues, 6510 "Cash Expenditures/Expenses" for expenditure recoveries, or other coding as appropriate. For revenues, use either Revenue Source Code 0940 “Deposit Adjustments and Returned Checks” or the revenue source code used on the initial deposit. Subsequent redeposit of amounts for which a deposit adjustment was recorded should be coded in a manner consistent with the original adjustment.

At fiscal year end, reclassify any residual balance in Revenue Source Code 0940 to the appropriate asset, liability, revenue, or expenditure/expense GL code.

85.22.50 Returns and reversals of AFRS ACH payments

July 1, 2012

85.22.50.a An AFRS ACH payment may be returned electronically to the state as an ACH return or an ACH reversal.

85.22.50.b **ACH Returns**

The receiving financial institution may initiate a return because:

- The payee bank account on the ACH transaction is closed, frozen, or invalid, or
- The payment is refused by the payee.

When an AFRS ACH payment is returned to the state, OST sends a file electronically to AFRS. Based on the information in the file, an AFRS automated process generates transactions for:

1. OST in the Treasury Management System (TM$) for crediting the returned payment to the paying agency/account(s), and

2. The paying agency for clearing the in-process and crediting the appropriate GL Code. The paying agency must release the transactions for processing in AFRS. For AFRS procedures, refer to the "AFRS Payment Cancellations and Returns" instructions available online at: http://swfs.ofm.wa.gov/Reference/auwarca.doc.

   Agencies that opt out of the automated AFRS process should contact the Department of Enterprise Services (DES) for alternative procedures.

DES contacts the paying agency to alert them of the return. The paying agency is responsible for contacting the vendor, requesting updated bank account information, as appropriate, and determining if the payment will be reissued.

85.22.50.c **ACH Reversals**

The paying agency or the payee may request that DES process an ACH reversal up to four days after the ACH effective date. Reversals must be in compliance with ACH rules which designate three valid reasons to reverse an entry:

1. The entry is a duplicate payment.
2. The payment is to the wrong payee.
3. The payment is for the wrong amount.

When a valid reason exists and it is within the allowable timeframe, DES initiates the ACH reversal through TM$. DES also coordinates preparation of a cash receipt journal for OST. The state's bank gives a provisional credit that is posted by OST to the paying agency/account(s), per the cash receipt journal. The paying agency must enter a corresponding cash receipt entry debiting GL Code 7110 "Receipts in Process" and crediting the appropriate GL Code.

ACH reversals are not guaranteed as the financial institution can reject the request due to the account balance being less than the requested amount or funds being otherwise unavailable. If this occurs, the financial institution sends a negative ACH return which reverses the provisional credit. The paying agency must reverse the previous cash receipt entry and is then responsible to recover the erroneous payment from the payee.

When DES initiates an ACH reversal, DES is also responsible to ensure notification of the reversal occurs in accordance with ACH rules which require the payee be notified of the reversal and the reason for the reversal no later than the effective date of the reversal. The effective date of the reversal is one banking day following the reversal request or the effective date of the original ACH payment, whichever is later.

85.24
Revenue and Cash Receipts - Illustrative Entries

85.24.10 These entries are for illustrative purposes

May 1, 1999

The entries in this section illustrate the recording of revenues and cash receipts in the accounting records. The entries are for illustrative purposes **only** and should **not** be considered all inclusive. Entries posted to GL Code Series 71XX "In-Process" in treasury and treasury trust accounts also require an entry from the Office of State Treasurer (OST), as illustrated below, to clear the In-Process GL Codes.

	Dr.	Cr.
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST Only) (4310)		xxx

The entry would be reversed for In-Process debit amounts.

85.24.20 Estimated revenues

May 1, 1999

Refer to Section 85.15 of this manual for illustrations of budgetary entries to record and adjust estimated revenues.

85.24.30 Deposit of cash revenues

May 1, 1999

To record the deposit of cash revenues (refer to Subsection 85.20.10.e):

	Dr.	Cr.
Cash In Bank (1110) or		
Receipts In-Process (7110)	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx

85.24.40 Cash over or short

May 1, 1999

To record cash over or short (refer to Subsection 85.20.10.d):

	Dr.	Cr.
Cash Revenues (3210) Revenue Source Code (0490) - Cash Over or Short	xxx	
Cash In Bank (1110) or Receipts In-Process (7110)		xxx

Note: The entry assumes a cash shortage and would be reversed for a cash overage.

85.24.50 Recording adjustment for non-sufficient funds (NSF) check

July 1, 2008

The following entries illustrate the recording of the adjustment for a non-sufficient funds (NSF) check that was initially coded as revenue in a Treasury account. Refer to Section 85.22.

Upon receipt of the Cash Receipt Journal Summary (A8) from OST, the agency clears receipts in-process and establishes a receivable for the NSF check in the Suspense Account (Account 01P).

	Dr.	Cr.
Other Receivables (1319)	xxx	
Receipts In-Process (7110)		xxx

Further entries depend on circumstances. Option 1 would be used when the agency is in a position to redeposit the NSF check within a day or two of its return by the bank. Option 2 would be used if there were a delay before redeposit of the NSF check.

OPTION 1

To record redeposit of NSF check within a day or two of its return by the bank. The agency is to prepare a Cash Receipt Journal Summary (A8) debiting/crediting Account 01P and submit it to OST.

Operating Agency - Suspense Account (Account 01P):

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Other Receivables (1319)		xxx

OPTION 2

The agency prepares a Journal Voucher to clear the receivable in Account 01P and record the NSF check in the operating account.

Suspense Account (Account 01P):

	Dr.	Cr.
Journal Vouchers In-Process (7140)	xxx	
Other Receivables (1319)		xxx

Operating Account (originally recording receipt of NSF check):

	Dr.	Cr.
Other Receivables (1319) or Cash Revenues (3210) with Revenue Source Code (0940) Deposit Adjustments and Returned Checks or the revenue source code used in the initial deposit.	xxx	
Journal Vouchers In-Process (7140)		xxx

The agency is to forward a copy of the Journal Voucher to the Office of the State Treasurer for final clearance of Account 01P and reduction of cash in the Operating Account.

85.24.60 Subsequent collections of non-sufficient funds (NSF) check

July 1, 2009

To record the subsequent collection of an NSF check for which an adjustment was posted (refer to Subsection 85.24.50) and which is deposited with a Cash Receipt Journal Summary (A8). Refer to Subsections 85.22.30 and 85.22.40.

Operating Account:

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Other Receivables (1319) or Cash Revenues (3210) with Revenue Source Code (0940) Deposit Adjustments and Returned Checks or the revenue source code used in the initial deposit.		xxx

85.24.65 Recording receipt of returned AFRS ACH payment

July 1, 2009

To record the deposit of an AFRS ACH expenditure payment that was returned electronically to the state. Refer to Subsection 85.22.50.

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Cash Expenditures/Expenses (6510) or other GL Code as appropriate		xxx

85.24.70 Undistributed receipts - account and/or revenue source not identified

May 1, 1999

85.24.70.a To record deposit of moneys pending identification of the proper account and revenue sources. Refer to Subsection 85.20.50.

Undistributed Receipts Account (Account 01R):

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Other Liabilities (5199)		xxx

85.24.70.b To record reversal once the proper account and revenue sources are identified.

Undistributed Receipts Account (Account 01R):

	Dr.	Cr.
Other Liabilities (5199)	xxx	
Journal Vouchers In-Process (7140)		xxx

85.24.70.c To record deposit of receipts in the proper accounts and revenue sources.

Proper Account XXX:

	Dr.	Cr.
Cash In Bank (1110) or Journal Vouchers In-Process (7140)	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx

85.24.80 Receipts placed in suspense

July 1, 2009

85.24.80.a To record deposit of receipt in an operating account pending identification of the proper revenue sources. This entry assumes that the deposit is subsequently determined to belong in the operating account in which it was initially deposited. Refer to Subsection 85.20.60.

	Dr.	Cr.
Cash In Bank (1110) or		
Receipts In-Process (7110)	xxx	
Cash Revenues (3210) Revenue Source Code (0920) Items Placed in Suspense		xxx

After researching the deposit, the agency determines the proper revenue coding.

	Dr.	Cr.
Cash Revenues (3210) Revenue Source Code (0920) Items Placed in Suspense	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx

85.24.80.b To record deposit of receipt in Suspense Account (Account 01P) pending identification of the proper account. Refer to Subsection 85.20.60.

Suspense Account (Account 01P):

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Appropriate asset or liability GL Code		xxx

To record the transfer of monies from Suspense Account (Account 01P) to the appropriate operating account.

Suspense Account (Account 01P):

	Dr.	Cr.
Appropriate asset or liability GL Code used in the original transaction above	xxx	
Journal Vouchers In-Process (7140)		xxx

Operating Account:

	Dr.	Cr.
Journal Vouchers In-Process (7140)	xxx	
Cash Revenues (3210) (with appropriate revenue source code) or appropriate GL Code		xxx

85.30
Encumbrances

85.30.10 Encumbrance accounting

July 1, 2013

85.30.10.a An encumbrance is a reservation of an expenditure authority for obligations or contracts for goods, materials, and/or services, which have been ordered and are expected to be received before the expenditure authority lapses. Encumbrance accounting is only used in accounts subject to allotment. Encumbrance accounting ensures that expenditure authority will be available for recording the expenditure when the goods, materials or services are subsequently received. An agency may not obligate or encumber funds in excess of its expenditure authority. An encumbrance represents a commitment. It is not an expenditure.

85.30.10.b Encumbrance accounting should be used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Agencies are not required to encumber all items of expenditure**.** Agencies should encumber obligations or contracts with a material impact on their budgets. Costs such as utilities, rent, travel, salaries and wages, and employee benefits and taxes should not be encumbered.

85.30.10.c Each encumbrance transaction is to be supported by complete documentation. The documentation may be in the form of the following: Purchase Requisitions (A15-A); Purchase Orders (A16-A); Field Orders (A17-A); Printing Requisitions (A21-A); professional service contracts and/or other contracts entered into by an agency. The use of "dummy" or projected encumbrances as a method to avoid transfers to reserve or circumvent the allotment process is an improper application of encumbrance accounting and **is not** to be practiced. Subsection 85.42.20 shows illustrative entries to establish and liquidate encumbrances.

85.30.10.d Encumbrances related to **operating** appropriations lapse at the end of the applicable appropriation period. Encumbrances related to **capital** appropriations lapse at the end of the biennium, unless **reappropriated** by the Legislature in the ensuing biennium. Encumbrances outstanding that relate to continuing appropriations at the end of the first fiscal year of a biennium and encumbrances outstanding that relate to capital reappropriations are reported as reservations of fund balance. Refer to Subsections 90.20.35 and 90.20.40.

85.32
Goods and Services Expenditures

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
January 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, and 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 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 (Inter-Agency Payments (IAP) and AFRS Automated Clearing House (ACH) payments to nonemployees).

85.32.20 Expenditure authorization

January 1, 2012

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 (RCWs 43.19.190 and 39.29.065), 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 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 documentation

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: http://des.wa.gov/SiteCollectionDocuments/ContractingPurchasing/A15A.docx.

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 the Department of Enterprise Services. This form is available online at: http://www.des.wa.gov/SiteCollectionDocuments/ContractingPurchasing/a16e.docx.

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, liquidate, and authorize payment for such purchases. This form is available online at: http://www.des.wa.gov/SiteCollectionDocuments/ContractingPurchasing/fo-a17.doc.

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 the Agency Financial Reporting System (AFRS) ACH, or to create payments through the IAP process. Refer to Section 85.36.20. This form is available online at: http://www.des.wa.gov/SiteCollectionDocuments/ContractingPurchasing/InvA19-1A.doc.

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: http://www.des.wa.gov/SiteCollectionDocuments/ContractingPurchasing/vouchdis.doc.

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: http://www.des.wa.gov/SiteCollectionDocuments/About/FormsnPublications/DESForms/A20-A1.xls.

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.
- 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 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 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

January 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

January 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.

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.

85.34
Payroll and Other Related Activities

85.34.10 Payroll

July 1, 2011

85.34.10.a Amounts owed to employees for work, labor, or services performed are to be recorded as expenditures/expenses in the accounting period (month) that the duties are performed. The expenditures/expenses are recorded in the operating account and the liability for the payroll and related benefits is recorded in the appropriate payroll revolving accounts.

85.34.10.b Account 035 "State Payroll Revolving Account" was created in the State Treasury for the purpose of disbursing salaries and other payroll related liabilities.

85.34.10.c In the operating account, the entry to charge payroll debits GL Code 6510 "Cash Expenditures/Expenses" with the appropriate subobject within Object A for actual salaries and Object B for related fringe benefits. The liability for the payroll and related fringe benefits is recorded in the following GL Codes:

- 5124 - Accrued Salaries and Fringe Benefits Payable,
- 5181 - Employee Insurance Deductions Payable,
- 5187 - Industrial Insurance and Medical Aid Deductions Payable,
- 5189 - Garnishment Deductions Payable, and
- 5199 - Other Liabilities.

Refer to Subsection 85.42.40 for illustrative entries.

85.34.10.d Prepare reconciliations of all payroll revolving accounts on a timely basis to ensure balances within these accounts are correct. These accounts include Accounts 035 and 790 "College Clearing Account," and any other authorized account used for payroll related disbursements.

85.34.10.e Section 25.20 contains administrative procedures to be followed when processing payroll.

85.34.20 Shared leave

July 1, 2011

85.34.20.a The Shared Leave Program enables a state employee to donate annual, sick, and personal holiday leave to another state employee who:

- Is suffering from or has a relative or household member suffering from an extraordinary or severe illness, injury, or impairment,
- Has been called to service in the uniformed service,
- Is a victim of domestic violence, sexual assault or stalking, or
- Has needed skills to assist in responding to an emergency declared anywhere in the U.S.A. by the federal or any state government, and the employee is volunteering with a governmental agency or nonprofit organization to provide humanitarian relief in the devastated area.

Refer to RCWs 41.04.650 through 670 and SAAM Subsection 25.40.10. After approval from agency head or authorized designee, transfer of leave between employees is to be recorded in the accounting and payroll systems in such a way as to allow for statewide reporting of shared leave activity.

85.34.20.b For shared leave transfers between employees within an agency and within the same account, no transfer of cash is involved. The entry is to debit GL Code 6510 “Cash Expenditures/Expenses” with Subobject BT “Shared Leave Provided - Sick Leave,” BU “Shared Leave Provided - Personal Holiday,” and BV “Shared Leave Provided - Vacation Leave,” as applicable, and to credit the same general ledger code with Subobject BW “Shared Leave Received.” Refer to Subsection 85.42.50.a for an illustrative entry.

85.34.20.c Shared leave donations between accounts and/or agencies require transfer of cash from one account and/or agency to the other. In the donor's agency and account, the entry is to debit GL Code 6510 “Cash Expenditures/Expenses” with Subobject BT, BU, and BV, as applicable, and to credit the appropriate cash GL code. In the donee's agency and account, the entry is to debit the appropriate cash GL code and to credit GL Code 6510 “Cash Expenditures/Expenses” with Subobject BW. Refer to Subsection 85.42.50.b for illustrative entries.

85.34.20.d Statute requires that unused shared leave be returned on a pro-rata basis to the various donors. Additionally, if an employee donates multiple types of leave, any reversion is to be returned proportionate to the original donation. When shared leave is returned, the original entries recording shared leave transfers are reversed for the value of the unused shared leave. Amounts are assumed to be immaterial and should be recorded as a recovery of current expenditures. Refer to Subsections 85.42.50.d and e for illustrative entries.

85.34.20.e Refer to Section 25.40 for administrative procedures relating to shared leave.

85.34.30 Amounts due deceased employees

May 1, 1999

85.34.30.a In the event of an employee's death, amounts owed to the deceased employee are to be recorded in GL Code 5145 “Due To Deceased Employees' Estates.” Refer to Subsection 85.42.60.a for an illustrative entry. Administrative procedures in Section 25.70 are to be followed prior to release of the payment.

85.34.30.b Upon release of the warrant or check, the agency is to liquidate the appropriate amount of the liability recorded in GL Code 5145 “ Due To Deceased Employees' Estates.” Refer to Subsection 85.42.60.b for an illustrative entry.

85.34.30.c In all instances, the supporting documentation is to be retained by the agency as evidence for release of the warrant or check. In addition, agencies are to require claimants to acknowledge receipt of payment in writing.

85.34.40 Salary overpayment recoveries

June 1, 2004

85.34.40.a When a salary or wage overpayment occurs, the total amount of the expenditure recovery includes the gross pay overpayment and associated employer costs related to the overpayment. These costs may include social security, Medicare, medical aid, retirement, and the employer’s share for health insurance.

85.34.40.b If the employee is continuing on payroll, process the recovery of the gross salary overpayment as a reduction to gross pay through the payroll system. Refer to Section 25.80. In most cases, this process will automatically adjust all the reductions for gross pay and the related employer costs.

85.34.40.c If the employee has been terminated from the payroll system and no future salary payments are anticipated, a manual recovery of both the employee overpayment and employer costs is necessary. The steps are as follows:

1. Recover from the employee the overpaid net pay plus any deductions that cannot be recovered by the agency from the applicable vendors. Each deduction recovery will depend on the vendor involved and if the deduction actually has been distributed.

2. Follow Internal Revenue Service procedures for recovery of income tax withholding, social security, and Medicare for both the employee and applicable employer shares.

3. Deposit current appropriation expenditure recoveries of net pay and deductions, or employer costs, to the account(s) where the employee was charged, crediting GL Code 6510 “Cash Expenditures” using the same Object A, B, or N series charged for the wage overpayment. Refer to Subsection 85.42.70.a for an illustrative entry.

4. Decrease the full time equivalents (FTEs) for the number of hours associated with the overpayment if excess paid hours caused all or a part of the overpayment. Refer to Subsection 85.42.70.b for an illustrative entry.

85.34.40.d Refer to Subsection 85.20.30 regarding the coding of receipts for recovery of salary and benefit expenditures charged against a prior appropriation.

85.36
Disbursement Processing

85.36.10 Agency disbursement processes
July 1, 2000

Agency disbursement processes should minimize the cost of making disbursements by using the most cost effective means available. To optimize cash management, agencies should minimize early payments unless the early payments result in vendor discounts.

85.36.20 Disbursement mechanisms
July 1, 2013

Disbursement mechanisms available to state agencies include:

- **Treasury Warrants** - Refer to Subsection 85.36.30.
- **Local Checks** - Refer to Subsection 85.36.40.
- **Wire Transfers -** Approval by the Office of Financial Management may be required to disburse funds via this method. Refer to Subsection 40.30.20.
- **Automated Clearing House (ACH)** payments are electronic fund transfers from a state bank account to a payee's account at their designated financial institution. ACH payments should be used, if possible, for payments from treasury-type accounts to local accounts.
    - **AFRS ACH** payments are electronic fund transfers that originate in the Agency Financial Reporting System (AFRS). The ACH payment information is processed nightly and communicated electronically to the Office of the State Treasurer (OST), who passes the information to the state's ACH operator. The effective date of these payments is the second working day after initial processing. Any agency entering transactions into AFRS may issue ACH payments by utilizing statewide vendors. Agencies are responsible for including correct, meaningful remittance information (in the invoice number, invoice date, account number, and vendor message fields) so vendors can post payments accurately.

- **OST ACH** payments are electronic fund transfers from treasury and treasury trust accounts that originate at OST. Agencies must inform OST and send an ACH JV **at least by 12:00 noon the day before** the effective date of the transfer. The effective date is the day funds will be transferred between bank accounts, and must be noted on the ACH JV. In cases where an agency prepares an ACH tape (or file) for OST, the tape (file) must be available to the treasurer **no later than two working days before** the effective date of the transfer. The ACH JV must be to OST the day before the effective date.

- **Inter-Agency Payments (IAP)** is the preferred method to pay other state agencies or to allocate or transfer costs between accounts, programs, etc., within an agency when both the paying and receiving accounts are either treasury or treasury trust accounts**.**

- **Interfund Transfers (IFT)** is the preferred method in AFRS for transferring cash between treasury and/or treasury trust accounts within the same agency. IFT transactions are used during the fiscal year to allocate or transfer costs between accounts, within an agency when both the paying and receiving accounts are either treasury or treasury trust accounts. IFT transactions are not valid in the adjustment months of 99 and 25.

- **Journal Vouchers** (JV payments) are to be used to generate ACH payments through OST to accounts outside the State Treasury. JVs are also used to transfer funds between agencies and between treasury and/or treasury trust accounts. Refer to Section 85.90 Interfund/ Interagency Activities.

- **State Charge Card System** is negotiated by the Department of Enterprise Services under a single vendor contract. It includes the Central Travel Account, the Charge Card (purchase card), the One Card (combination purchase and travel card), and the Motor Vehicle Rental Card. Agencies must comply with the Charge Card Services contract. More information about the state charge card system and specific contract requirements is available online at: http://des.wa.gov/services/ContractingPurchasing/Purchasing/Pages/PurchasingVisaProgram.aspx.

  Except as provided in Subsection 45.10.40, charge cards (e.g. purchase cards) may **not** be used for purchases between state agencies.

Subsection 10.10.45 describes the use of charge cards for travel related expenses. Minimum requirements for agency purchase card programs are covered in Chapter 45. Agencies with central travel accounts and/or One Card programs should establish appropriate policies and controls.

- **Vehicle Fleet Credit Card** is also administered by the Department of Enterprise Services. More information about the vehicle fleet credit card and specific contract requirements is available online at: http://des.wa.gov/services/ContractingPurchasing/Purchasing/Pages/FuelCardProgram.aspx.

- **Stored Value Cards** are cards 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. Approval by the Office of Financial Management is required prior to disbursing funds via this method. Refer to Subsection 40.30.30.

- **Electronic Benefit Transfer (EBT)** payments are an alternative method for making disbursements to benefit recipients. EBT is similar in nature to a debit card. The recipient's benefits are encoded on a magnetic stripe card. Approval by the Office of Financial Management is required prior to disbursing funds via this method. Refer to Subsection 40.30.30.

85.36.30 Treasury account requirements

January 1, 2012

85.36.30.a For the purpose of this section, the term Treasury Account refers to both Treasury and Treasury Trust Accounts. The information that is required to be maintained by agencies may be retained in paper or electronic form.

85.36.30.b The following documents are generated when processing Treasury Account disbursements:

- **Warrant** - A payment instrument for each invoice voucher or other evidence of indebtedness validated and released by the Office of the State Treasurer (OST) for payment.

- **Agency Payment Register** - The document requested through Enterprise Reporting and used to record disbursements and account classifications of each transaction in detail. It also provides details on the payments issued including the vendor name, detailed expenditure/expense coding, type of payment (ACH, IAP, regular warrant, inserted warrant), ACH deposit date, and amount.

- **Vendor's Remittance Advice** - A document used to accompany each payment (ACH, IAP or warrant) to notify the payee of what is being paid. The Vendor's Remittance Advice is to reference the payment number, the invoice number, and other vendor information, as appropriate. The Vendor’s Remittance Advice for ACH payments is emailed or mailed to vendors by Consolidated Mail Services. Agencies receiving IAPs receive an email notification.

- **Outstanding Warrant Record** - The document used to record warrants issued by the agency which are not yet redeemed by OST, canceled by the agency, or canceled by statute of limitation.

85.36.30.c The validated warrants are returned to the agency by OST or, if authorized by OST, by the Department of Enterprise Services. Agency Payment Register Summary and Agency Payment Register detail reports are available in Enterprise Reporting. Inserted warrants and their remittance advices are forwarded to Consolidated Mail Services for direct mailing to vendors.

85.36.30.d Upon receipt of the warrants, agencies are responsible for promptly forwarding warrants to the vendor or authorized payee.

85.36.30.e The validated warrant and vendor copy of the Vendor's Remittance Advice are to be released only to the vendor or other authorized payee.

85.36.30.f The agency is to maintain the Agency Payment Register Summary, Official Agency Payment Register and a copy of the Vendor's Remittance Advice along with the detail source documents in accordance with record retention policies.

85.36.30.g A payment file by vendor (payee) is to be maintained. Agencies should have procedures in place to detect and avoid duplicate payments to vendors.

85.36.40 Local account requirements

July 1, 2010

85.36.40.a The documents listed below are generated when processing Local Account disbursements. The information that is required to be maintained by agencies may be retained in paper or electronic form.

- **Check** - The payment instrument used for each invoice voucher or other evidence of indebtedness.
- **Vendor's Remittance Advice** - The document used to notify the payee of what is being paid. The Vendor's Remittance Advice is to reference the check number and the invoice number as appropriate.

85.36.40.b Agencies are to maintain a file containing copies of Vendor's Remittance Advices for each check.

85.36.40.c A payment file by vendor (payee) is also to be maintained. Agencies should have procedures in place to detect and avoid duplicate payments to vendors.

85.36.40.d The signed check and vendor copy of the Vendor's Remittance Advice are to be released only to the vendor or other authorized payee.

85.36.50 Recording

July 1, 2010

85.36.50.a The Official Agency Payment Register or local account Check Register constitutes the basis for recording expenditures/expenses.

Expenditure/expense transactions are to be recorded in the General Ledger and the Subsidiary Allotment and Expenditure/Expense Ledgers. Refer to Subsection 85.42.30 for an illustrative entry to record expenditure/expense disbursements.

85.36.50.b The following information, at a minimum, is to be recorded in the Subsidiary Allotment and Expenditure/Expense ledgers:

- Payment and/or check register date,
- Payment and/or check register number reference,
- Voucher number reference,
- Appropriate expenditure coding, and
- Amount of disbursement.

85.38
Other Warrant Procedures

85.38.10 Agency-initiated warrant cancellations

July 1, 2013

85.38.10.a When an agency becomes aware of the need to cancel a warrant and it is prior to the warrant reaching Statute of Limitations (SOL) status (180 days), the agency is to initiate a warrant cancellation. Warrants issued in error should be canceled by the agency as soon as the error is discovered. For lost warrants, destroyed warrants and non-deliverable warrants, agencies are to follow specific cancellation instructions in this chapter.

If an agency does not initiate a cancellation prior to the warrant reaching SOL status, follow the SOL instructions in Subsection 85.38.40.

85.38.10.b Agency-initiated cancellations may be done either manually or using an automated process.

- A manual cancellation entails the agency preparing a Journal Voucher (A7) with the appropriate cancellation transactions and entering the transactions in the Agency Financial Reporting System (AFRS).

- Alternatively, an agency may use the AFRS automated cancellation process to initiate cancellations. AFRS will generate the cancellation transactions for agency review, and it will generate a report that serves as the Journal Voucher. For procedures, refer to the AFRS Payment Cancellations & Returns documentation available online at: http://www.des.wa.gov/SiteCollectionDocuments/ITSolutions/Payment_Cancellation_January_2013.pdf.

Regardless of the process used, for non-SOL warrant cancellations the agency must send the original Journal Voucher (or AFRS-generated report) along with appropriate supporting documentation (either the warrant or the "Affidavit of Lost or Destroyed Warrant") to the Office of State Treasurer to complete the cancellation process.

85.38.10.c When canceling a warrant, the agency is to debit GL Code 7130 "Warrant Cancellations In-Process" and credit the appropriate GL Code, depending on the reason for the cancellation.

For **warrants that are non-deliverable**, statutorily canceled, lost or destroyed, credit GL Code 5194 "Liability for Canceled Warrants/Checks - Short-Term." Refer to Subsection 85.42.80 for illustrative entries.

For **warrants that were issued in error**, credit the GL Code debited when the payment was issued. For example, if the warrant was an expenditure payment, credit GL Code 6510 "Cash Expenditures/Expenses." Refer to Subsection 85.42.85 for illustrative entries.

85.38.15 Non-deliverable warrant

July 1, 2012

A warrant in the custody of an agency is considered non-deliverable only after a search did not locate the payee.

A warrant deemed to be non-deliverable is to be canceled by an agency-initiated cancellation. Refer to Subsection 85.38.10.

Agencies are to maintain a record of all transactions concerning non-deliverable warrants.

85.38.20 Lost or destroyed warrants

July 1, 2015

When a warrant is reported as lost or destroyed, an agency is to contact the Office of the State Treasurer (OST) and request information on the status of the warrant. Then the agency is to follow the procedures described in this subsection under the appropriate warrant status.

85.38.20.a **Lost or Destroyed Warrants Statutorily Canceled -** If the warrant has been statutorily canceled per RCW 43.08.062, the procedures listed in Subsection 85.38.40 are to be followed.

85.38.20.b **Lost or Destroyed Warrants (Redeemed) -** If the warrant has been redeemed, the procedures listed in Subsection 85.38.30 are to be followed.

85.38.20.c **Lost or Destroyed Warrants (Unredeemed) -** An agency must first determine whether the warrant was lost or destroyed before or after delivery to the payee.

Note: Delivery to the U.S. Postal Service constitutes delivery to the payee.

1. If an unredeemed warrant was lost or destroyed prior to delivery to the payee, the issuing agency is to complete the affidavit section of the "Affidavit of Lost or Destroyed Warrants." The form need not be notarized. Refer to form included in this subsection.

   If the unredeemed warrant was lost or destroyed after delivery to the payee, the payee is to complete the "Affidavit of Lost or Destroyed Warrants" per RCW 43.08.066. The "Affidavit of Lost or Destroyed Warrants" must be notarized and returned to the issuing agency before a duplicate warrant is reissued.

2. For an unredeemed lost or destroyed warrant that is canceled and reissued, an agency is to follow the procedures listed below:

   - An agency prepares a separate Journal Voucher (A7) for lost or destroyed warrants that debits GL Code 7130 "Warrant Cancellations In-Process" and credits GL Code 5194 "Liability for Canceled Warrants/Checks." Refer to Subsection 85.42. 80 for an illustrative entry. The Journal Voucher is to state that the warrant was lost or destroyed.

   - AFRS agencies are to enter the Journal Voucher through the normal AFRS batch process.

   - Then the agency is to send a **copy** of the "Affidavit of Lost or Destroyed Warrants" and the **original** Journal Voucher to OST for processing. OST is to debit GL Code 4310 "Current Treasury Cash Activity (OST Only)" and credit GL Code 7130 "Warrant Cancellations In-Process."

   - When the warrant is reissued, the agency is to debit GL Code 5194 "Liability for Canceled Warrants/Checks." Refer to Subsection 85.42.90 for an illustrative entry.

85.38.20.d If the original warrant is returned unredeemed after reissue, an agency is to immediately void the original warrant. Procedures listed in Subsection 85.38.70.e are to be followed for all voided warrants.

Affidavit of Lost or Destroyed Warrant

STATE OF WASHINGTON _____
COUNTY OF_____ _____
FUND_____
WARRANT NO. _____

I,_____, having been duly sworn, depose and say that I am the proper owner, payee, or legal representative of such owner or payee of the State of Washington's Warrant No._____ dated____/____/____, in the amount of_____dollars and that said warrant has been lost, destroyed, or not delivered to me, and to the best of my knowledge has not been paid. If the warrant is subsequently found I will return the warrant. Further, I agree that should the original warrant be redeemed subsequent to the redemption of the replacement warrant that I will promptly (within 5 days of notification) reimburse the state the amount of this warrant.

Payee's Signature	Payee's Mailing Address
Payee's Printed Name	City State Zip
Payee's Street Address	Payee's Phone Number
City State Zip	Title of person signing affidavit (for vendors only)

Witness if signed by "X"

Signature	Signature
Printed Name	Printed Name
Street Address	Street Address
City State Zip	City State Zip

Subscribed and sworn before me this_____day of_____, 20_____.

_____
Notary Public in and for the State of Washington

_____
Residing at

My appointment expires:_____, 20_____.

85.38.30 Redeemed warrants reported as lost or destroyed

July 1, 2013

When a redeemed warrant has been reported as lost or destroyed, the Office of the State Treasurer (OST) is to send a copy of the redeemed warrant to the agency. The agency is to notify the legal owner that the warrant has been redeemed. A copy of the redeemed warrant and a blank "Affidavit of Forged Endorsement," are to be included with this notification. Refer to form included in this subsection.

85.38.30.a **Forged Endorsement**

85.38.30.a.(1) If the legal owner claims the endorsement is a forgery, the legal owner is required to complete the "Affidavit of Forged Endorsement." Refer to form included in this subsection. The affidavit must be signed and notarized.

85.38.30.a.(2) After receipt of the signed and notarized "Affidavit of Forged Endorsement," the agency is to compare the signature on the redeemed warrant to the signature on the affidavit. If forgery is questionable, the agency is to investigate further until it is resolved whether or not the warrant has a forged endorsement. If forgery is determined or is obvious, the following procedures apply:

- The **original** signed and notarized "Affidavit of Forged Endorsement" is to be sent to OST. OST is to return the forged warrant to the bank for credit.

- OST is to record collection of the bank credit on a Cash Receipts Journal Summary (A8) by debiting GL Code 4310 "Current Treasury Cash Activity (OST Only)" and crediting GL Code 7110 "Receipts In-Process." OST is to send a copy of the A8 to the issuing agency.

- The agency is to utilize the A8 received from OST to record the collection of the bank credit. The agency is to debit GL Code 7110 "Receipts In-Process" and credit GL Code 5199 "Other Liabilities." Refer to Subsection 85.42.95.a for an illustrative entry.

- When the warrant is reissued, the agency is to debit GL Code 5199 "Other Liabilities." Refer to Subsection 85.42.95.b for an illustrative entry.

85.38.30.b **Endorsement Not Forged**

If the signature on the original warrant is not a forgery, the warrant is not to be reissued.

Affidavit of Forged Endorsement

STATE OF WASHINGTON _____
COUNTY OF_____ _____
FUND_____
WARRANT NO. _____

I,_____, being the rightful owner of the State of Washington's Warrant No._____dated ___/___/___, in the amount of_____dollars, do hereby certify that my name as signed on the back of the said warrant is a forgery, and that I have not received nor endorsed the said warrant: neither have I been benefited in any way from the proceeds there from.

_____ Payee's Signature	_____ Payee's Mailing Address
_____ Payee's Printed Name	_____ City State Zip
_____ Payee's Street Address	_____ Payee's Phone Number
_____ City State Zip	_____ Title of person signing affidavit (for vendors only)

Witness if signed by "X"

_____ Signature	_____ Signature
_____ Printed Name	_____ Printed Name
_____ Street Address	_____ Street Address
_____ City State Zip	_____ City State Zip

Subscribed and sworn before me this_____day of_____, 20_____.

_____
Notary Public in and for the State of Washington

_____
Residing at

My appointment expires:_____, 20_____.

85.38.40 Statutorily canceled warrants

June 1, 2014

85.38.40.a **Cancellation of Warrants**

85.38.40.a.(1) As prescribed in RCW 43.08.062, the Office of the State Treasurer (OST) is required to cancel warrants that have not been presented for payment within 180 days from the date of issue.

85.38.40.a.(2) Agencies are advised to monitor the Aged Outstanding reports in the OST's Treasury Management System (TM$) on a regular basis. Contact OST for access to TM$. Agencies may want to notify the payee that state law requires outstanding warrants to be canceled after 180 days.

85.38.40.a.(3) A list of Statute Of Limitations (SOL) canceled warrants is available in TM$ for agency review. This list includes warrant number, date issued, and amount.

85.38.40.a.(4) Agencies are to maintain a log of statutorily canceled warrants. If this information is requested in accordance with the Public Records Act, RCW 42.56.070(9), agencies are to ensure this information will not be used for commercial purposes. To this end, before releasing this information, agencies are to have the "Affidavit to Release Outstanding or Canceled Warrants" signed by those requesting a copy of the log of statutorily canceled warrants. Refer to form included in this subsection. Information related to statutorily canceled warrants might contain personal information about citizens.

Privacy Notice: Safeguarding and disposition of personal information must be consistent with Executive Order 00-03, April 25, 2000; OCIO Policy 141; and RCW 42.56.210.

85.38.40.a.(5) At the same time that OST runs its SOL process, the Agency Financial Reporting System (AFRS) automatically generates cancellation transactions for all SOL warrants (both AFRS and non-AFRS generated warrants) and holds them for agency review and release. Instructions regarding disposition of these funds are contained in Subsection 85.38.50.

In lieu of the automated process, an agency may prepare a Journal Voucher (A7) to clear their In Process as stated in Subsection 85.38.10. Refer to Subsection 85.42.80 for illustrative entries.

The Journal Voucher (A7) for SOL warrant cancellations should not be sent to OST.

85.38.40.b **Reissue of Statutorily Canceled Warrants**

85.38.40.b.(1) As prescribed in RCW 43.08.062, an agency may issue a new warrant for a statutorily canceled warrant presented for payment.

85.38.40.b.(2) Statutorily canceled warrants presented to OST for payment are to be sent to the issuing agency (i.e., warrant items sent on collection).

85.38.40.b.(3) When a statutorily canceled warrant is reported as lost or destroyed, an agency may issue a new warrant. If the issuing agency determines to reissue the statutorily canceled warrant, the agency is to issue a new warrant payable to the legal owner of the statutorily canceled warrant. The re-issuance is to be recorded in AFRS, so as to reduce the liability (GL Code 5194). Refer to Subsection 85.42.90 for illustrative entries.

85.38.40.b.(4) If the issuing agency determines **not** to reissue the warrant, a letter explaining the reason for disallowance is to be sent to the legal owner.

85.38.40.b.(5) OST is responsible for controlling statutorily canceled warrants. If an agency gains possession of a statutorily canceled warrant, it is to be sent to OST for destruction. Refer to Subsection 85.38.80 for further information on warrant voiding and destruction procedures.

85.38.40.b.(6) Agencies are to maintain a log of reissued statutorily canceled warrants. This log is to reference, or be incorporated within, the log of statutorily canceled warrants and contain the following for both the original and the reissued warrant: warrant number, warrant register, date of issue, and amount. Refer to Subsection 85.38.40.a.(4).

Affidavit to Release Outstanding or Canceled Warrants

STATE OF WASHINGTON
COUNTY OF_____

_____
Name and Address

Having been duly sworn, deposes and states:

1. I have requested access to those records described as listings or registrations of unpaid state checks or warrants classified by your office as "Outstanding" or "Canceled" (or such other adjective as may encompass these terms), excepting those items that have been issued within the six months preceding this letter.

2. I understand that Washington State law, RCW 42.56.070(9), prohibits the use of lists of individuals for commercial purposes.

3. I understand that the use for commercial purposes of said records may also violate the rights of the individuals named therein and may subject me to liability for such commercial use.

4. I understand that Section 2 or 3 herein apply when I use said records for commercial purposes and when others use said records or copies of same for commercial purposes. I understand that I may be liable in either case.

5. I understand that "commercial purposes" means that the person requesting the record intends that the list will be used to communicate with the individuals named in the record for the purpose of facilitating profit-expecting activity.

6. Therefore, I do hereby swear and affirm on oath and under penalty of law that I will not use said records for commercial purposes and further, that I will not aid or assist others in using said records for commercial purposes.

_____
Signature

_____
Printed Name

_____
Street Address

_____
City State Zip

Subscribed and sworn before me this_____day of_____, 20_____.

_____
Notary Public in and for the State of Washington

_____
Residing at

My appointment expires:_____, 20_____.

85.38.50 Liability for canceled warrants/checks

May 1, 1999

85.38.50.a GL Code 5194 "Liability for Canceled Warrants/Checks" is to be used to record obligations for canceled warrants and checks for which proper disposition has not yet been determined.

85.38.50.b RCW 63.29, the Uniform Unclaimed Property Act, applies to the outstanding liability for canceled warrants/checks. Canceled payroll warrants/checks that remain unclaimed for more than one year are considered abandoned. All other intangible property in the custody of the state is considered abandoned after two years. Agencies are to develop procedures for systematically reviewing canceled/outstanding warrants and checks and remitting "abandoned property" to the Department of Revenue. For methods of reporting and remitting, contact the Department of Revenue, Unclaimed Property Section. Refer to Subsection 85.74.30 for further discussion related to Department of Revenue accounting for unclaimed property.

85.38.60 "X" warrants

January 1, 2012

85.38.60.a If a warrant was damaged or destroyed prior to being mailed, an "X" warrant may be issued to replace the warrant. Agencies preparing "X" warrants are to utilize the Consolidated Technology Services online system. The "damaged" warrant must be delivered and turned over to the Department of Enterprise Services (DES) before the "X" warrant will be released. The agency will need to get system access as well as detail procedures to create an "X" warrant from DES. The "X" warrant is to be "MICR encoded" by the Office of the State Treasurer and included with the batch of warrants. The "X" warrant is to be input by the agency exactly the same as the original warrant. If a warrant is lost or destroyed after being mailed, the procedures at Subsection 85.38.20 apply.

85.38.60.b Agencies preparing "X" warrants are to maintain a log containing the following "X" warrant information:

- Agency number;
- Warrant date;
- Original warrant number;
- "X" Warrant number;
- Warrant register number;
- Signature of the individual who input the "X" warrant; and
- Date the "X" warrant was prepared.

85.38.70 "X" and blank state warrant stock control procedures

January 1, 2012

85.38.70.a To control the receipt, issue, and inventory of blank warrants, the procedures outlined below are to be followed. Both regular warrants and "X" warrants are to be controlled in the same manner. Only the Department of Enterprise Services will have custody of and responsibility for "X" warrant stock.

85.38.70.b All blank warrants are to be kept locked in a climate controlled storage area and under the control of a designated custodian or designated alternate custodian. The designation of the custodian and alternate is to be in writing. Access to the blank warrant stock is to be limited to the designated custodian and the alternate.

85.38.70.c Warrants are standard items stocked by the Department of Enterprise Services' Printing and Imaging. The Office of the State Treasurer and Printing and Imaging has responsibility for the issuance of blocks of warrants to agencies. Agencies are to establish reasonable inventory and reorder levels and follow normal ordering procedures for procurement of blank warrant stock. When warrants are received from Printing and Imaging, the designated custodian or the alternate is to record the following information on an appropriate control form:

- The date received;
- Quantity received;
- Inclusive serial numbers; and
- The new balance on hand.

85.38.70.d When warrants are required from the locked storage, standardized requisition forms are to be used and signed by the individual requesting the warrants. In addition, the designated custodian or the alternate is to record the following information on the control form:

- The date issued;
- Quantity issued;
- Inclusive serial numbers;
- Name of the individual receiving the blank warrants; and
- The new balance on hand.

85.38.70.e A record is to be maintained of all voided warrants. This record is to include the following:

- The date voided;
- The serial number(s);
- Quantity voided and reason for voiding; and
- Initials of individual taking action.

Refer to Subsection 85.38.80 - Warrant voiding and destruction procedures.

85.38.70.f A physical count of the blank warrant stock is to be performed periodically as necessary to maintain an effective system of internal control over the blank warrant stock. The physical count is to be performed by an individual other than the designated custodian or the alternate. The physical count is to be a blind count (i.e., the individual performing the count is not provided with the book quantity). Standardized forms to record the physical count are to be developed and used. The individual performing the physical count is to sign each form used to record the physical count. The forms are to be promptly completed and furnished to a designated supervisor who is to perform the inventory reconciliation. Standardized inventory reconciliation forms are to be developed and used. The inventory reconciliation form is to show the following:

- Date of physical count;
- Date the reconciliation form is completed;
- The book quantity as of the date of physical count;
- The physical count; and
- The name of the person performing the inventory.

If the physical count agrees with the book quantity, then certification of this fact, signed by the supervisor, is to be recorded on the inventory reconciliation form. If there is a variance between the book quantity and the physical count, a second physical count is to be conducted immediately by the supervisor or other party if the supervisor is the designated custodian or alternate. If a variance still exists, the situation is to be reported to the agency head and the agency is to follow procedures for a suspected loss. Refer to Section 20.30, Suspected losses of public funds or property.

85.38.80 Warrant voiding and destruction procedures

January 1, 2012

Warrants to be voided or destroyed are to be controlled by the Office of the State Treasurer (OST) and the Department of Enterprise Services (DES). OST and DES are to develop and implement written procedures for voiding and destroying signed warrants. Warrants that are to be destroyed must be sent to OST for destruction.

85.38.90 Local check control procedures

May 1, 1999

Agencies with local accounts are to develop and implement written procedures for controlling local checks. Procedures should provide for adequate internal control as prescribed in Subsection 85.38.70. Additional guidance on internal control can be found in Chapter 20.

85.40
Belated and Sundry Claims

85.40.10 Belated claims
January 1, 2016

85.40.10.a This policy is effective only for appropriated expenditures associated with an enacted budget that specifically allows for belated claims.

85.40.10.b Belated claims are obligations for goods and services which were received on or before June 30 but were not accrued in the concluding appropriation period. Shortages in estimated accrued expenditures/expenses are also treated as belated claims of the prior appropriation period.

85.40.10.c All belated claims are coded and charged as current appropriation expenditures except as noted in 85.40.10.g.

85.40.10.d Approval by the Office of Financial Management (OFM) for belated claims from appropriated accounts is required prior to payment by the requesting agency. OFM's decision regarding belated claims will be made in writing to the requesting agency. Payment of belated claims against non-appropriated accounts does not require OFM approval.

85.40.10.e Belated claims needing OFM approval are to be submitted for review following the close of each appropriation period. Agencies are to submit a request for all belated claims identifying vendor, date of receipt of goods or services, amount of claim, account and appropriation that should have been charged had the claim been paid timely, and the account and current appropriation to be charged. The request is to be submitted in writing to OFM Statewide Accounting.

85.40.10.f OFM will verify that the agency requesting a belated claim payment has <u>unexpended appropriation</u> authority from applicable prior appropriation periods sufficient to satisfy the claim. If the agency is able to pay the claim from current appropriation authority without causing an overexpenditure, OFM will approve the belated claim request.

85.40.10.g In the event that the applicable prior appropriation authority is not sufficient to cover the claim, the agency's request is to also include an explanation of the reason for the overexpenditure and the actions taken to preclude the situation from recurring. If the agency's explanation is deemed reasonable <u>and</u> the agency is able to pay the claim from current appropriation authority without causing an overexpenditure, OFM will approve the belated claim request.

85.40.10.h If payment of a belated claim will cause an agency to over spend current appropriation authority, the agency is to consult its assigned OFM Accounting Consultant and OFM Budget Analyst.

85.40.10.i The authenticity and correctness of obligations paid through the belated claims procedure is the sole responsibility of the agency.

85.40.20 Sundry claims

January 1, 2016

Sundry claims, including those dealt with by administrative action and those requiring legislative action, are to be submitted to the Department of Enterprise Services, Office of Risk Management. For information, contact http://des.wa.gov/services/risk/Pages/default.aspx.

85.42
Expenditures, Expenses, and Cash Disbursements - Illustrative Entries

85.42.10 These entries are for illustrative purposes

May 1, 1999

The entries in this section illustrate the recording of expenditures/expenses and cash disbursements in the accounting records. These entries are for illustrative purposes **only** and should **not** be considered all inclusive. Entries posted to GL Code Series 71XX "In-Process" in treasury and treasury trust accounts also require an entry from the Office of State Treasurer (OST) as illustrated below to clear the In-Process GL Codes.

	Dr.	Cr.
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST only) (4310)		xxx

The entry would be reversed for In-Process debit amounts.

85.42.20 Encumbrances

June 1, 2011

85.42.20.a To record the establishment of encumbrances or increases to existing encumbrances for budgeted accounts. Refer to Subsection 85.30.10.

	Dr.	Cr.
Encumbrances (6410)	xxx	
Reserved for Encumbrances (9510)		xxx

85.42.20.b To record encumbrance liquidations for budgeted accounts. Refer to Subsections 85.30.10 and 85.32.40.e.

	Dr.	Cr.
Reserved for Encumbrances (9510)	xxx	
Encumbrances (6410)		xxx

85.42.30 Expenditure/expense disbursements

May 1, 1999

To record expenditure/expense disbursements for goods and services received. Refer to Subsection 85.36.50.

	Dr.	Cr.
Cash Expenditure/Expense (6510) (with appropriate subobject)	xxx	
Cash in Bank (1110) or Warrants/ACH Payments In-Process (7120)		xxx

85.42.40 Recording payroll

July 1, 2011

85.42.40.a To record payroll expenditures/expenses. Refer to Subsection 85.34.10.

	Dr.	Cr.
Cash Expenditure/Expense (6510) (with appropriate subobject)	xxx	
Cash in Bank (1110) or Journal Vouchers In-Process (7140)		xxx

85.42.40.b To record the receipt of cash in the payroll revolving account and the establishment of the payroll liabilities for agencies using the state's Human Resource Management System (HRMS).

	Dr.	Cr.
Journal Vouchers In-Process (7140)	xxx	
Accrued Salaries and Fringe Benefits Payable (5124)		xxx
Employee Insurance Deductions Payable (5181)		xxx
Industrial Insurance and Medical Aid Deductions Payable (5187)		xxx
Garnishment Deductions Payable (5189)		xxx
Other Liabilities (5199)		xxx

85.42.40.c To record subsequent liquidation of payroll and related liabilities in the payroll revolving account.

	Dr.	Cr.
Accrued Salaries and Fringe Benefits Payable (5124)	xxx	
Employee Insurance Deductions Payable (5181)	xxx	
Industrial Insurance and Medical Aid Deductions Payable (5187)	xxx	
Garnishment Deductions Payable (5189)	xxx	
Other Liabilities (5199)	xxx	
In-Process (71XX)		xxx

85.42.50 Recording shared leave

May 1, 1999

85.42.50.a To record transfer of shared leave between employees within an agency and within the same account. Refer to Subsection 85.34.20.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable)	xxx	
Cash Expenditures/Expenses (6510) (Subobject BW)		xxx

85.42.50.b To record transfer of shared leave between employees of different agencies and/or accounts.

Donor's Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

Donee's Operating Account:

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Cash Expenditures/Expenses (6510) (Subobject BW)		xxx

85.42.50.c To record the payroll for an employee using donated shared leave.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Object A, B)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.42.50.d To record reversion of unused shared leave when employees are within the same agency and account.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject BW)	xxx	
Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable)		xxx

85.42.50.e To record reversion of unused shared leave when employees are from different agencies and/or accounts.

Donor's Operating Account:

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable)		xxx

Donee's Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject BW)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.42.60 Amounts due deceased employees

May 1, 1999

85.42.60.a To record amounts owed to deceased employees. Refer to Subsection 85.34.30.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (with appropriate subobjects)	xxx	
Due to Deceased Employees' Estates (5145)		xxx

85.42.60.b To record the liquidation of the liability when the funds are released for payment.

	Dr.	Cr.
Due to Deceased Employees' Estates (5145)	xxx	
Cash in Bank (1110) or		
Warrants/ACH Payments In-Process (7120)		xxx

85.42.70 Salary overpayment recoveries

May 1, 1999

85.42.70.a To record the recovery of net pay and related deductions, or employer costs, for a salary overpayment. Refer to Subsection 85.34.40.c.

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Cash Expenditures/Expenses (6510) (Subobject A, B or N series)		xxx

85.42.70.b To record the reduction in full time equivalents (FTEs) for any excess hours associated with a salary recovery. Refer to Subsection 85.34.40.c.

	Dr.	Cr.
Statistical Clearing Account (0998)	xxx	
Actual FTEs (0120)		xxx

85.42.80 Cancellations of non-deliverable, SOL, and lost or destroyed warrants

July 1, 2012

To record cancellations of non-deliverable warrants, warrants statutorily canceled by the Office of the State Treasurer, and lost or destroyed warrants. Refer to Section 85.38.

	Dr.	Cr.
Warrant Cancellations In-Process (7130)	xxx	
Liability for Canceled Warrants/Checks (5194)		xxx

85.42.85 Cancellations of warrants issued in error

July 1, 2012

To record cancellations of warrants issued in error. Refer to Subsection 85.38.10.

	Dr.	Cr.
Warrant Cancellations In-Process (7130)	xxx	
Cash Expenditures/Expenses (6510) or		
Cash Revenues (3210)		xxx

85.42.90 Re-issuance of canceled warrants

July 1, 2012

To record re-issuance of warrants previously canceled due to warrant being non-deliverable, statutorily canceled by the Office of the State Treasurer, or lost or destroyed. Refer to Section 85.38.

	Dr.	Cr.
Liability for Canceled Warrants/Checks (5194)	xxx	
Warrants/ACH Payments In-Process (7120)		xxx

85.42.95 Forged endorsement

May 1, 1999

85.42.95.a To record the bank credit for the redemption of forged warrants. Refer to Subsection 85.38.30.a.

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Other Liabilities (5199)		xxx

85.42.95.b To record re-issuance of forged warrants. Refer to Subsection 85.38.30.a.

	Dr.	Cr.
Other Liabilities (5199)	xxx	
Warrants/ACH Payments In-Process (7120)		xxx

85.50
Cash

85.50.10 Deposit of treasury and treasury trust receipts

July 1, 2011

85.50.10.a Deposit intact each day all cash receipts for treasury and treasury trust accounts collected on the preceding day as prescribed in RCW 43.01.050 unless a specific written waiver is granted by the Office of the State Treasurer (OST). Refer to Subsection 85.65.12 for an illustrative entry.

85.50.10.b Except as provided in RCW 39.58.080, all treasury and treasury trust receipts must be deposited in a public depositary located in this state. (Chapter 39.58 RCW)

85.50.10.c To qualify as a depositary for monies belonging to the state, or in custody of the state under the control of the OST, financial institutions and credit unions must meet the requirements established by the Public Deposit Protection Commission and Chapter 39.58 RCW.

85.50.20 Deposit of local receipts

July 1, 2008

85.50.20.a Cash receipts for deposit in local accounts, established pursuant to RCW 43.88.195 or other statutory provision, are to be deposited intact each day for the collections of the preceding day (refer to Subsection 85.65.12 for an illustrative entry) unless:

- A specific written waiver is granted by OFM, or
- Total cash receipts on hand (exclusive of change accounts) are under $500. However regardless of the amount on hand, local account receipts are to be deposited weekly.

85.50.20.b Local funds are to be deposited in public depositaries located in this state. (Chapter 39.58 RCW) Refer to Subsection 85.50.10.c.

85.50.30 Undeposited receipts

May 1, 1999

85.50.30.a Undeposited receipts consist of the following:

- Cash receipts on hand, and
- Monies in transmittal accounts pending deposit in the OST concentration account.

85.50.30.b Undeposited receipts exclude monies that have not been entered into the agency's records. These include: unopened mail transmittals; non-validated receipts; and monies received by personnel operating outside of the agency's accounting office and not forwarded for deposit to the accounting office. It should be noted, however, that the statutory provisions controlling the depositing of state monies, as prescribed in RCW 43.01.050, are to be observed at all times. Refer to Subsection 85.50.10.

85.50.40 Reconciliation of cash receipts and deposits

July 1, 2011

85.50.40.a Daily, cash is to be counted and reconciled with the appropriate records reflecting the day's transactions. All differences are to be investigated to ascertain the reason for the discrepancy. Procedures for recording cash over and short are prescribed in Subsection 85.20.10 of this manual.

85.50.40.b Agencies are to review the GL Code Series 71XX “In-Process” report timely. To aid in this reconciliation, agencies receive AFRS report DTR9002 - Unbalanced In-Process Reconciliation Report. Report DTR9002 shows in detail outstanding in-process transactions for both the agency and the OST.

85.50.40.c Accounts maintained in financial institutions or credit unions, including petty cash accounts, are to be promptly reconciled with agency records on a monthly basis. The balance shown on the bank statement may not agree with the agency's book balance.

Variances can occur because of outstanding checks, deposits in transit, bank service charges, or other adjustments. Adjusting entries may be required when entries appear on the bank statement without corresponding entries in the agency's books. Adjusting entries, if necessary, are to be promptly prepared and recorded in the agency's records.

85.50.50 Petty cash - general information

July 1, 2011

85.50.50.a Agencies may maintain two types of cash accounts within the petty cash regulations.

- **Change Accounts** - Used solely for making change in across-the-counter cash transactions.
- **Petty Cash (Imprest) Accounts** - Used to make payments when issuing a warrant/check is not practical or timely. With specific OFM approval, used to load stored value cards.

85.50.50.b Petty cash account regulations are prescribed in Chapter 42.26 RCW.

85.50.50.c The agency head (or authorized designee) is to issue and maintain on file a letter designating the individual assigned as custodian, the amount of the petty cash account, and the purpose for which the monies will be spent.

85.50.50.d The agency head (or authorized designee) is responsible for the proper use of petty cash. Agencies are to establish petty cash internal control procedures in accordance with OFM's prescribed policies. Refer to Chapter 20 of this manual.

85.50.50.e Only minimal amounts of cash are to be kept on hand. Petty cash accounts in excess of $100 must be maintained in a checking account in a local financial institution or credit union that is a public depositary (refer to Subsection 85.50.10.c) unless the agency has a safe, vault, or money chest that is used to safeguard petty cash. Whenever possible, all petty cash accounts are to be maintained in a bank account. Bank accounts are to be opened in the name of the agency, not an individual.

85.50.50.f In limited circumstances, a petty cash account may be used to load money onto a stored value card. The use of stored value cards in conjunction with a petty cash account requires pre-approval by OFM through the Economic Feasibility Study (EFS) process. Refer to Section 40.40.

85.50.50.g If a state auditor's report discloses that the amount of an agency's petty cash account is excessive or its use is in violation of regulations, the Director (or official designee) of OFM may require the elimination of, or reduction in the amount of, the petty cash account.

85.50.60 Accounting for petty cash in treasury accounts

June 1, 2015

85.50.60.a **Establishing Treasury Petty Cash Accounts**

1. Requests for petty cash, or increases to petty cash, are made using the "Application and Authorization for Petty Cash Advance, Treasury Accounts" form that is available at the end of this subsection or through the Accounting Division of OFM. The completed form is submitted to the Accounting Division of OFM (the Director's official designee) for approval. **Distribution of the total amount of approved petty cash within an agency is determined by the agency.**

   Agencies requesting approval for petty cash accounts that will utilize stored value cards should reference the EFS approval letter in the 'Justification' section of the application form.

2. After approval, OFM will return the signed original "Application and Authorization for Petty Cash Advance, Treasury Accounts" form to the agency. When the petty cash increase is approved, the agency is to produce a warrant to reclassify Treasury cash to GL Code 1130 "Petty Cash." Refer to Subsection 85.65.14.a for an illustrative entry. The warrant is to be endorsed and cashed or deposited by the assigned custodian. OFM will send a copy of the signed form to the Office of State Treasurer.

3. Written accounting and control procedures for petty cash are to be developed and followed.

4. A petty cash account is <u>not</u> to be established for less than:

   - $25; or
   - An amount that requires reimbursement more frequently than biweekly.

85.50.60.b **Authorized Uses of Treasury Petty Cash Accounts** – With the exception of stored value cards, the following are the authorized uses of Treasury petty cash:

1. Local market purchases of supplies and materials. These purchases may include: minor miscellaneous materials; supplies; fresh fruit and vegetables; and minor repairs and replacement parts for machinery and equipment not under state contract. Such payments may be made provided that:

- The purchase is within the limitations prescribed by the Department of Enterprise Services, and

- The items purchased cannot be expediently paid through regular payment procedures.

2. Rail, air, common carrier, and bus express charges where carriers require payment at time of delivery.

3. Postage due on mail. Postage due may be paid when it appears that it will be of benefit to the state to accept delivery of the mail.

4. Salaries and wages due employees. Payment of salaries and wages may be made **only** when there has been an undue delay in processing the amount due an employee through normal payroll procedures. The employee must complete a supporting document requesting a miscellaneous payroll deduction for the full amount of the petty cash payment prior to the release of the check to the employee. The completed document is to be used to support the deduction of the amount due the petty cash account from the employee's pay.

   The following information, at a minimum, is to be maintained on the supporting document:

   - Typed authorization by employee for miscellaneous payroll deduction
   - Name of the employee
   - Amount due from the employee
   - Date of the request
   - Reason for the request
   - Signature of the employee
   - Signature of the petty cash custodian
   - Signature of the person authorizing the disbursement

   In the absence of an automated payroll calculation system which can be relied upon to accurately calculate net pay, the amount which can be disbursed from a petty cash account for this purpose is limited to 90% of the computed net pay due to the employee. The total amount disbursed to an employee for this purpose must be deducted from the employee’s next scheduled pay in one lump sum; partial repayments are prohibited. Petty cash accounts are **not** to be used to pay employees in advance of established regular pay dates.

5. Travel advances to employees **when the need for an advance cannot be anticipated** in time to use regular travel advance procedures. A

Travel Authorization Form (A40, A40-A), or its equivalent, is to be completed by the employee. The completed form is to be used to support reimbursement of the petty cash account. The total amount disbursed from the account for this purpose is not to exceed the amount approved on the form. Travel advances are not to impair the intended functioning of the petty cash account.

6. The authorized uses of petty cash stored value cards must be specified in the agency petty cash authorization request and designated in the OFM approval letter.

7. Agencies may request, in writing, special authorization from the Director (or official designee) of OFM for petty cash accounts to be used for the following:

   - Change accounts in agencies dispensing goods, services, etc., over-the-counter direct to the public.

   - Grants or benefits to welfare, correction, or rehabilitation recipients provided that such payments are authorized by appropriations.

   - Refunds of erroneous or excessive payments, or other refunds authorized by law.

   - Other purposes where the establishment of a petty cash account would be of special benefit to the state.

85.50.60.c Petty cash and change accounts are **not** used for cashing personal and/or payroll checks or warrants.

85.50.60.d **Disbursement and Reconciliation Procedures for Treasury Petty Cash Accounts**

1. All disbursements from petty cash accounts are documented and supported by receipts or vouchers bearing the signature of the payee. The following is recorded on the supporting document: date; name of payee; purpose of disbursement; amount paid; signature of the person authorizing the disbursement; and the proper account distribution.

2. Transactions involving payment of salaries and wages are also supported with a completed miscellaneous payroll deduction document. Refer to Subsection 85.50.60.b #4.

3. Travel advances are supported with a properly completed Travel Authorization (A40, A40-A), or its equivalent.

4. Agencies are to establish written procedures to ensure that the above documents are transmitted promptly to the proper fiscal personnel for processing against the individual's pay or travel expense voucher.

5. A petty cash register reflecting the balance of the account is to be maintained.

6. **The total cash on hand, plus the amount of disbursements represented by the documentation, is to equal the authorized amount of the petty cash account**. The petty cash account is to be reconciled at least monthly. If a checking account is used, the petty cash account is to be promptly reconciled each month to the bank.

7. There are to be frequent, periodic audits of the petty cash account. The audits are to be performed by the agency's Internal Auditor or another individual (not the petty cash custodian) designated by the agency head.

8. An adequate audit trail is to be maintained.

85.50.60.e **Reimbursement of Treasury Petty Cash Accounts**

1. Change accounts do not require replenishment, unless a theft or loss has occurred. Cash over and short which occur during the course of making change are cleared daily as part of the reconciliation and deposit of receipts. Refer to Subsection 85.20.10. The amount of the change account on hand should always equal the authorized amount.

2. To replenish a petty cash account for disbursements made, a Voucher Distribution Form (A19-2) is to be prepared. The A19-2 is to show the name of the agency and custodian as trustee of the account in place of the vendor name. All documents substantiating the disbursements are to be attached. The GL coding distribution is summarized and entered in the account code block of the form. The voucher is checked and approved for payment by someone other than the custodian. The amount of this voucher and the cash remaining in the petty cash account are to equal the authorized amount.

3. The accounting entries to record petty cash disbursements are the same as for other vendor payments.

4. Petty cash accounts are to be reimbursed monthly, unless the reimbursable amount is less than $100. If the reimbursable amount is less than $100, the agency can reimburse on a less frequent basis.

85.50.60.f **Reduction or Abolishment of Treasury Petty Cash Accounts**

1. When a petty cash account is reduced or abolished, the agency is to prepare and submit to the OST a Cash Receipts Journal Summary (A8) along with the petty cash remittance. The petty cash is returned to the Treasury account from which it was advanced. This transaction reclassifies the existing debit in GL Code 1130 "Petty Cash" to Treasury cash for the reduction in the amount of petty cash account. Refer to Subsection 85.65.14.b for an illustrative entry.

2. The agency is to notify the Accounting Division of OFM (the Director's official designee) of all abolishments or reductions in Treasury petty cash accounts. OFM will distribute a copy of the notification to OST.

Form A-37
STATE OF WASHINGTON
APPLICATION AND AUTHORIZATION FOR PETTY CASH ADVANCE
TREASURY ACCOUNTS

AGENCY _____ _____
(NAME) (NUMBER)

ACCOUNT TO BE CHARGED _____ _____
(TITLE) (ACCOUNT)

Current Petty Cash Balance (GL Code 1130) (Treasury Accounts) $ _____

Requested Petty Cash Increase (SAAM 85.50.60.a) $ _____*

Revised Petty Cash Balance $ _____

JUSTIFICATION-OF PETTY CASH INCREASE

(Attach additional statements as needed) _____

_____

_____

_____

_____

_____

REQUESTED BY: _____ _____
Agency, Chief Financial Officer Date

APPROVED BY: _____ _____
OFM, State Financial Consultant Date
Accounting Division

A37 (07/08)
Distribution upon approval: Signed original to the Agency; copy to OFM Cash Control.

85.50.70 Accounting for petty cash in local accounts (including treasury trust accounts)

June 1, 2015

85.50.70.a Establishing Local Petty Cash Accounts

1. The agency head (or authorized designee), unless otherwise provided by law, has the authority to establish and control a petty cash account in a local account established pursuant to RCW 43.88.195 or other statutory provision. The petty cash account is not to be excessive.

2. Written accounting and control procedures for petty cash are to be developed and followed.

3. The agency head (or authorized designee) is to issue and maintain on file a letter designating the individual assigned as trustee, the amount of the petty cash account, and the purpose of the account.

4. For local accounts, the agency is to produce a check to reclassify GL Code 1110 “Cash in Bank” to GL Code 1130 “Petty Cash.” For treasury trust accounts, the agency is to produce a warrant to reclassify Treasury cash to GL Code 1130 “Petty Cash.” Refer to Subsection 85.65.14.a for an illustrative entry. The check or warrant is to be endorsed and cashed or deposited by the assigned custodian.

85.50.70.b Authorized Uses, Disbursement, and Reconciliation Procedures of Local Petty Cash Accounts

The authorized uses of petty cash accounts that are prescribed for Treasury petty cash accounts at Subsection 85.50.60.b items 1 through 6 are to be followed for local petty cash accounts. If the planned use of the petty cash account is not one of those listed under Subsection 85.50.60.b items 1 through 6, agencies may request, in writing, special authorization from the administering agency of the account for purposes as listed under Subsection 85.50.60.b.7.

The disbursement and reconciliation procedures that are prescribed for Treasury petty cash accounts are to be followed for local petty cash accounts. Refer to Subsection 85.50.60.d.

85.50.70.c **Reimbursement of Local Petty Cash Accounts**

The reimbursement procedures prescribed for Treasury petty cash accounts are followed for local petty cash accounts. However, the use of Voucher Distribution (A19-2A) form is optional. Refer to Subsection 85.50.60.e.

85.50.70.d **Reduction or Abolishment of Local Petty Cash Accounts**

The agency head (or authorized designee) has the authority to reduce or abolish a local petty cash account.

When a local petty cash account is reduced or abolished, the money is returned to the local account from which it was advanced. This transaction is recorded by reclassifying the existing debit in GL Code 1130 “Petty Cash” to GL Code 1110 “Cash in Bank” for the amount of the reduction in petty cash.

When a treasury trust petty cash account is reduced or abolished, the agency is to prepare and submit to OST a Cash Receipts Journal Summary (A8) along with the petty cash remittance. The petty cash is returned to the treasury trust account from which it was advanced. Refer to Subsection 85.65.14.b for an illustrative entry.

85.52 Investments

85.52.10 About investments

July 1, 2003

Investments are made as authorized by law and/or contractual agreement. Investment purchase and sale transactions are to be reported for GAAP reporting purposes on a trade date basis.

For purchases, at trade date the investment is recorded in the appropriate investment accounts and the amount due on settlement is recorded as a credit to GL Code 5123 "Investment Trades Pending Payable."

For sales, at trade date the investment is removed from the accounting records and the amount of the proceeds due at settlement are recorded in GL Code 1323 "Investment Trades Pending Receivable."

Recognition of earnings on investments is to follow the revenue recognition criteria pertinent to the fund type in which the investment is recorded.

Costs associated with investing activities that are readily separable from investment income are to be recorded to Revenue Source Code 0473 "Costs of Investment Activities." Refer to Subsection 85.65.20.

85.52.20 Short-term investments

June 1, 2003

Short-term investments are recorded in GL Code 1205 "Temporary and/or Pooled Cash Investments," GL Code 1206 "Investment with Local Government Investment Pool," and/or GL Code 1209 "Short-Term Portion of Long-Term Investments." Short-term investments include:

- Investments of surplus cash balances, including the cash float, in short-term securities and other investments where funds can be disbursed at any time without prior notice or penalty; investments that are both readily convertible to known amounts of cash and so near their maturity dates that they present insignificant risk of changes in value because of changes in interest rates;

- Investment of surplus funds with the Local Government Investment Pool; and

- The portion of long-term investment that will mature within one year.

Valuation - Investments classified as short-term are valued at fair value, *except* for the following instances:

a. Time deposits, such as *non-negotiable certificates of deposit with redemption terms that do not consider market rates*, are recorded using a cost-based measure, if the fair value is not significantly affected by the impairment of the credit standing of the issuer or other factors.

b. Money market investments and participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity *at time of purchase* of one year or less are to be recorded at amortized cost, if the fair value is not significantly affected by the impairment of the credit standing of the issuer or other factors. Money market investments are short-term, highly liquid debt instruments 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. Amortized cost includes the acquisition cost of the investment as adjusted for amortization of premium or accretion of discount (17CFR 270.2a-7). Participating contracts are investments whose value is affected by market (interest rate) changes. If these contracts are negotiable or transferable, or their redemption value considers market rates, they should be considered participating.

85.52.30 Non-current investments

July 1, 2015

In situations where external restrictions exist, non-current investments held in governmental fund type accounts, not offset by unearned revenue or a liability, should be offset with the appropriate restricted fund balance GL Code.

Except as noted below at Subsections 85.52.40, 85.52.50 and 85.52.60, the acquisition, valuation, and sale or liquidation of non-current investments are to be accounted for as follows:

85.52.30.a **Acquisition** - The cost of non-current investments is to be recorded in the accounting records in GL Code 1210 "Investments." Purchased accrued interest, if any, is to be recorded as a debit to GL Code 1316 "Interest and Dividends Receivable." Refer to Subsection 85.65.18.a through d for illustrative entries.

85.52.30.b **Valuation** - Investments should generally be valued at fair value. Fair value is a market-based measurement. For some investments, observable market transactions or market information is available. In cases where there are no observable market transactions to provide pricing information, other approaches including the cost approach (the cost to acquire a comparable investment) or income approach (the current value of future cash flows or revenues) may be used.

Examples of investments to be valued at fair value include:

- Land and real estate held as an investment
- Common stock not required to be measured according to the equity method
- Open-end mutual funds.

Examples of investments to be valued at other than fair value include:

- Short-term money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost.
- Nonparticipating contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
- Investments of the state's Local Government Investment Pool (LGIP), which are held in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, are reported at amortized cost.
- Investments in the LGIP are measured at the net asset value per share.

Increases in the investment's fair value are to be recorded by debiting GL Code 1280 "Valuation Allowance - Investments" and crediting GL Code 3220 "Non-cash Revenues," Revenue Source Code 0413.

Decreases are to be recorded by debiting GL Code 3220 "Non-cash Revenues," Revenue Source Code 0413 and crediting GL Code 1280 "Valuation Allowance - Investments." Refer to Subsection 85.65.22 for an illustrative entry.

85.52.30.c **Sale or Exchange -** Sales or exchanges of non-current investments (refer to Subsection 85.65.24 for illustrative entries) are to be recognized on a trade date basis. Generally, gains and losses are to be recorded at the time of the sale using GL Code 3205 or 3210, Revenue Source Code 0413 for gains and losses.

85.52.40 Investment pools

July 1, 2010

85.52.40.a **Internal Investment Pools** - Internal investment pools are to follow the guidance for short-term and non-current investments as presented in Subsections 85.52.20 and 85.52.30, respectively. The equity position of each account participating in the investment pool should be reported as an asset in the participating account. Income and costs associated with internally pooled investments are to be accounted for in the accounts that report the investments unless legal or contractual provisions require transfer of amounts to another account.

85.52.40.b **External Investment Pools** - External investment pools commingle the moneys of more than one legally separate entity and invest, on behalf of the participants, in an investment portfolio. Investment positions in external investment pools that are not SEC-registered are to be determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like pool. A 2a7-like pool is an external investment pool that operates in conformity with the SEC's Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Investment positions in a 2a7-like pool should be measured at the net asset value per share provided by the pool.

85.52.50 Permanent funds

July 1, 2013

85.52.50.a **Accounting for Losses** - In some cases, accounting for a negative net change in fund balance exclusive of unrealized gains and losses in permanent funds managed and invested by the State Investment Board (SIB) requires unique treatment in order to satisfy legal requirements. In these cases, to preclude the erosion of permanent fund corpus (GL Code 9110 "Nonspendable Permanent Fund Principal"), due to other than market fluctuations, at year end it is necessary to separately track a negative net change in fund balance exclusive of unrealized gains and losses in GL Code 9231 "Restricted for Permanent Funds – Realized Investment Losses" and amortize the loss against future beneficiary distributions on a straight-line basis over the weighted average life of the portfolio in the permanent fund.

85.52.50.b **Distributions to Beneficiary Funds -** Unless otherwise allowed under state law and agreed upon by affected parties, for income distribution purposes, distributions from permanent funds managed and invested by the SIB to beneficiary funds are to include:

- The interest and dividends from permanent fund investments for the period (GL Code 3210, Revenue Source Code 0401 "Investment Income" or Revenue Source Code 0411 "Dividend Income"),
- The earnings from sale or exchange of the permanent fund investments for the period (GL Code 3210, Revenue Source Code 0413),
- Less the cost of investing activities, and
- Less the amount of the accumulated loss amortization for the period.

For distribution purposes, earnings do not include non-cash fair value adjustments (GL Code 3220, Revenue Source Code 0413). Unrealized gains and losses are to be closed to GL Code 9112 "Nonspendable Permanent Funds – Unrealized Gain/Loss."

In permanent funds, if allowed by law, undistributed realized income (including capital gains and losses) is closed to restricted fund balance as applicable.

85.52.50.c **Separate Reporting of Nonspendable and Restricted Fund Balance -** If balances are retained in permanent funds and permanent endowments that exceed the legal or other externally mandated permanent balance (corpus), the nonspendable and restricted portions must be tracked separately.

85.52.60 Deferred compensation plans (IRC Section 457)

July 1, 2001

In accordance with Statement No. 34 of the Governmental Accounting Standards Board, the state's Internal Revenue Code Section 457 deferred compensation plan is reported for GAAP reporting purposes as a pension trust fund. Plan investments should be valued in accordance with Subsection 85.52.30.b.

85.52.70 Securities lending

May 1, 1999

Investments in securities lending agreements where the state has the ability to pledge or sell the collateral without borrower default are to be recorded in the accounting records in GL Codes 1216 "Collateral held under Securities Lending Agreements" and 5197 "Obligations under Securities Lending Agreements."

For recording purposes, the investment in securities lending agreements may be recorded in the general ledger at the summary level based on a detail report from the securities lending agent. No subsidiary records are required.

For GAAP reporting purposes, if these investments are acquired with resources pooled from multiple accounts, the investments and obligations resulting from the securities lending agreements are to be allocated on a pro rata basis to the accounts that have the risk of loss for the collateral investments.

Income and costs associated with securities lending agreements are to be recorded in the accounts that report the investments and obligations unless legal or contractual provisions require transfer of the amounts to another account.

85.52.80 Reverse repurchase agreements

May 1, 1999

Investments in reverse repurchase agreements are to be recorded in the accounting records in GL Codes 1215 "Investments under Reverse Repurchase Agreements" and 5196 "Obligations under Reverse Repurchase Agreements." No subsidiary records are required.

For GAAP reporting purposes, if these investments are acquired with resources pooled from multiple accounts, the assets and liabilities arising from the reverse repurchase agreements are to be reported in the accounts that have the risk of loss for the investments.

Income and costs associated with pooled reverse repurchase agreements are to be recorded in the accounts that report the assets and liabilities unless legal or contractual provisions require transfer of the amounts to another account.

85.52.90 Subsidiary ledgers are required for certain investments

May 1, 1999

85.52.90.a In addition to the required general ledger accounts, subsidiary ledgers are to be maintained to record the details of each investment with the exception of investments in securities lending agreements and reverse repurchase agreements.

85.52.90.b Subsidiary ledgers are to be balanced against the associated general ledger control accounts at least monthly and at fiscal year end.

85.52.90.c Subsidiary ledgers are to contain, at a minimum, the following specific information for each investment held:

- Description of the item
- Identification number
- Location of security or collateral
- Date purchased (trade date)
- Interest rate (fixed income only)
- Interest dates (fixed income only)
- Issue date (fixed income only)
- Maturity date (fixed income only)
- Par or face value
- Cost
- Unamortized premium or discount (updated at least quarterly) (fixed income only, if applicable)
- Carrying value
- Fair value (updated at least quarterly)
- Date of sale (trade date) and sales amount

85.54
Receivables

85.54.10 About receivables
July 1, 2012

85.54.10.a Receivables are defined as the amounts to be collected from private individuals, businesses, agencies, accounts, or other governmental units.

85.54.10.b Agencies are to promptly record receivables when the asset or revenue recognition criteria have been met or the underlying accounting event has occurred and the amount is determinable. Refer to Subsection 80.30.20.

85.54.10.c Agencies are to record receivables in the general ledger by account and general ledger code. Subsidiary records are also required. Refer to Subsection 85.54.65.

Agencies may either maintain an in-house receivable subsidiary system with the approval of the Office of Financial Management, Office of the Chief Information Officer (OCIO) (refer to Subsection 80.30.88), or utilize the central accounts receivable system, which is available through the Department of Enterprise Services.

Detailed receivable subsidiary ledgers are to be established and maintained on an open item basis (i.e., an entry or entries in the subsidiary ledger for each outstanding amount due). However, existing balance forward systems may continue to operate with approval from the OCIO.

85.54.15 Taxes receivable
July 1, 2009

85.54.15.a By fiscal year end, all taxes receivable that are considered measurable, available and due within twelve months, are recorded as debits in GL Code 1311 “Taxes Receivable” and GL Code 1328 “Tax Liens Receivable,” the related amounts estimated to be uncollected as credits in GL Code 1341 “Allowance for Uncollectible Taxes Receivable”, and the difference as credits to revenue.

85.54.15.b In governmental fund type accounts, not all taxes due to the state meet the GAAP criterion of being available and objectively measurable; therefore, taxes receivable recognized as revenue are generally limited to:

- Property taxes that are collectible within 60 days.
- Taxes imposed on exchange transactions, such as gross receipts and taxes, when the underlying exchange transaction occurs.
- Other taxes as reported by, or levied on, the taxpayer but not yet paid to the state.
- Amounts erroneously underpaid by taxpayers.
- Interest and penalties on taxes.

85.54.15.c Taxes receivable that are measurable, but are not due within twelve months, are recorded as debits to the long-term GL Code 1611 "Taxes Receivable" and the related amounts estimated to be uncollectible as credits to GL Code 1641 "Allowance for Uncollectible Taxes Receivable."

In governmental fund type accounts, since the net amount of long-term taxes receivable does not meet the GAAP criterion of available, it is recorded as a credit to GL Code 5292 "Unavailable Revenues." Refer to Subsection 85.65.30 for an illustrative entry.

85.54.20 Due from federal government

June 1, 2013

85.54.20.a By fiscal year-end, all balances involving receivables from the federal government are recorded as debits to GL Code 1351 "Due From Federal Government." This includes amounts that are due within twelve months from all federal government agencies for such items as:

- Expenditures incurred by the state, which qualify for reimbursement from the federal government. Refer to Subsection 85.65.34.a and b for illustrative entries.
- The federal government's share of monies expended by the state to finance a project which, either by law or by contractual agreement, is to be financed on a matching basis with the federal government.
- Amounts due from the federal government in a governmental fund type account which are in dispute at the end of the accounting period. The revenues associated with these receivables are not recognized until the dispute is settled. Disputed receivables are offset by credits to GL Code 5190 "Unearned Revenues." Refer to Subsection 85.65.34.c for an illustrative entry.

85.54.20.b Amounts due from the federal government, that are not due within twelve months, are to be recorded as debits to the long-term GL Code 1651 "Due From Federal Government." In governmental fund type accounts, revenues associated with long-term receivables that are not considered available are not recognized until they are considered available. Long-term receivables from the federal government are offset by crediting GL Code 5292 "Unavailable Revenues."

85.54.25 Due from other governments

June 1,2013

85.54.25.a Other governments are defined as any separate governmental units and include: other state governments; Native American tribes; county governments; municipal governments; school districts; and any other political subdivisions. This does **not** include agencies of Washington State government or the federal government.

85.54.25.b By fiscal year-end, all balances involving loans to local governments and other receivables from other governments that are due within twelve months are recorded as debits to GL Code 1352 "Due From Other Governments."

85.54.25.c Amounts due from other governments, that are not due within twelve months, are to be recorded as debits to the long-term GL Code 1652 "Due From Other Governments."

In governmental fund type accounts, if the receivable arises from a revenue transaction and the amount is not considered available, the associated revenue is not to be recognized. Receivables considered unavailable are offset by crediting GL Code 5292 "Unavailable Revenue." If the receivable arises from an advance or loan, an entry is required to reserve a portion of fund balance to indicate that long-term receivables are not available for appropriation. This is accomplished by debiting the appropriate fund equity GL code and crediting GL Code 9131 "Nonspendable Receivables - Long-Term."

85.54.30 Due from other accounts

July 1, 2009

85.54.30.a By fiscal year-end, all balances involving activity or loans between accounts **within an agency,** that are due/payable within twelve months, are recorded as debits to GL Code 1353 "Due From Other Funds" on the general ledger of the account making the loan and as credits to GL Code 5153 "Due To Other Funds" on the general ledger of the account owing the debt.

85.54.30.b Amounts due from other accounts, that are not due within twelve months, are recorded as debits to the long-term GL Code 1653 "Due From Other Funds" on the general ledger of the account that will collect the amount due, and as a credit to GL Code 5253 "Due To Other Funds" either on the general ledger of a proprietary fund type account that owes the amount or in Account 999 "General Long-Term Obligations Subsidiary Account" if a governmental fund type account owes the amount. Revenues of governmental fund type accounts associated with long-term receivables are deferred because they are not considered available.

85.54.30.c Amounts advanced from one account to another account are recorded as GL Code 1350 "Due From Other Funds - Advances" on the general ledger of the account making the advance and as GL Code 5150 "Due To Other Funds - Advances" on the general ledger of the account that is receiving the advance.

85.54.30.d All interfund receivables (GL Codes 1350, 1353, and 1653) and payables (GL Codes 5150, 5153, & 5253) are to be in balance within an agency (i.e., interfund receivables must equal interfund payables). To facilitate this, agencies are required to include subsidiary coding on the GL codes indicating the account which the receivable/payable is due from/to.

85.54.35 Due from other agencies

July 1, 2009

85.54.35.a Agencies supplying goods and services to other agencies are to establish procedures for the timely billing to other agencies for such goods and services provided, and for the timely recording of these receivables and accrued revenues.

- Billings are to include enough information to provide for maintenance of subsidiary ledgers in accordance with Subsection 85.54.65.
- Billings are to be prepared on a regular basis, at least quarterly, except for instances where a written contract or regulation requires a different schedule.
- Billings are to incorporate sufficient detail to adequately document the goods or services provided. Source documentation should be retained by the billing agency and be available, upon request, for review by the billed agency.

85.54.35.b By fiscal year-end, all balances involving amounts due from one agency to another agency, that are due within twelve months, are recorded as debits to GL Code 1354 "Due From Other Agencies" on the general ledger of the agency providing the goods or services, and as credits to GL Code 5154 "Due To Other Agencies" on the general ledger of the agency receiving the goods or services.

85.54.35.c Amounts due from other agencies, that are not due within twelve months, are recorded as debits to the long-term GL Code 1654 "Due From Other Agencies" on the general ledger of the agency that will collect the amount, and as either a credit to GL Code 5254 "Due To Other Agencies" on the general ledger of a proprietary fund type account that owes the amount or in Account 999 "General Long-Term Obligations Subsidiary Account" if the amount is owed by a governmental fund type account. Revenues of governmental fund type accounts associated with long-term receivables are deferred because they are not considered available.

85.54.35.d All interagency receivables (GL Codes 1354 and 1654) and payables (GL Codes 5154 and 5254) are to be in balance between agencies. To facilitate this, agencies are required to include subsidiary coding on the GL codes indicating the agency which the receivable/payable is due from/to. Sufficient communication is to be maintained among agencies to ensure that interagency receivables and payables are in balance statewide at fiscal year-end.

85.54.40 Notes and loans receivable

June 1, 2011

85.54.40.a Monies lent by agencies in the form of notes or loans to private entities (e.g., economically disadvantaged areas) or individuals (e.g., student loans) that are due within twelve months, are classified as GL Code 1313 "Notes Receivable" or GL Code 1314 "Loans Receivable," as appropriate.

85.54.40.b By fiscal year-end, all balances involving amounts due from private entities or individuals on loans that are not due within twelve months, are recorded as debits to the long-term GL Code 1614 "Loans Receivable", and the related amounts estimated to be uncollectible as credits to the GL Code 1644 "Allowance for Uncollectible Loans Receivable."

85.54.40.c For governmental fund type accounts, fund balance is deemed nonspendable for net long-term receivables other than student loans. GL Code 9131 "Nonspendable Loans Receivable - Long-Term" is adjusted through the appropriate fund equity GL code to equal net long-term non-student loans receivable. Refer to Subsection 85.65.36 for illustrative entries for both budgeted and non-budgeted long-term receivables.

For higher education agencies, an entry is required to adjust the nonspendable portion of fund balance to indicate that net long-term student loan receivables (GL Codes 1614 and 1644) do not represent available spendable resources. GL Code 9130 "Nonspendable Student Loans Receivable" is adjusted through the appropriate fund equity GL code so that the balance of GL Code 9130 equals net long-term student loans receivable.

85.54.42 Private donation pledges

July 1, 2004

85.54.42.a By fiscal year-end, all balances involving donation pledges due within one year are recorded as debits to GL Code 1320 "Donations/Pledges Receivable." They are recorded in the period when all applicable eligibility requirements are met to the extent that they are measurable, unconditional, and probable of collection.

85.54.42.b Pledges that are not due within twelve months are to be recorded as debits to the long-term GL Code 1620 "Donations/Pledges Receivable." In governmental fund type accounts, revenues associated with long-term receivables are deferred because they are not considered available.

85.54.44 Travel advances receivable

July 1, 2010

85.54.44.a Travel advances are recorded to GL Code 1383 "Travel Advances" in the account for which the applicable travel will be incurred. Refer to Subsection 10.80.60 for policies related to the administration of travel advances. Refer to Subsection 85.65.33 for illustrative entries.

85.54.44.b Agencies are to maintain detailed documentation by employee for travel advances and reconcile it monthly to GL Code 1383.

85.54.45 Other receivables

July 1, 2004

85.54.45.a By fiscal year-end, all balances involving receivables other than those outlined above, which are due within twelve months, are recorded as debits to GL Code 1312 “Accounts Receivable” (refer to Subsection 85.65.32.a for an illustrative entry); GL Code 1316 “Interest and Dividends Receivable” (refer to Subsections 85.65.18 and 85.65.20 for illustrative entries); or under the general category of GL Code 1319 “Other Receivables.”

Other Receivables include such items as:

- Overpayments by an agency subject to refund (does not include overpayments to other governmental units).
- Miscellaneous receivables which may arise during an agency's course of operation.

85.54.45.b Other long-term receivables, which are measurable but are not due within twelve months, are recorded to the long-term GL Code 1619 “Other Receivables” and the related amount estimated to be uncollectible in GL Code 1649 “Allowance for Uncollectible Other Receivables.”

85.54.50 Receivable collection procedures

June 1, 2014

85.54.50.a Agencies with more than $50,000 in past due receivables are to prepare **aging reports** at least monthly. Aging reports are required to be reviewed by management and such review documented on the report.

85.54.50.b **Written procedures are to be developed and followed to ensure that past due receivables are followed up promptly and in a manner that is cost effective for the overall collection program.**

These procedures are to provide for the full range of collection procedures to be used as appropriate, including issuance of statements and dunning letters, phone and personal interviews, filing of suits and liens, referral to private collection agencies or letter services, etc. Agencies that do not have special statutory collection authority or specialized collection operations are encouraged to use collection agencies after receivables become 90 days past due. Accounts receivable records may contain personal information about citizens.

Privacy Notice: Safeguarding and disposition of personal information must be consistent with Executive Order 00-03, April 25, 2000; OCIO Policy 141; and RCW 42.56.210.

85.54.50.c Interest of one percent per month is to be charged on past due receivables in accordance with RCW 43.17.240, except when one of the following conditions are met:

- Charging interest conflicts with the provisions of a contract or with any other law.
- The debt is to be paid by other governmental unit.
- The debt became due prior to July 28, 1991.
- Interest is waived based upon rules adopted by OFM found at Chapter 82-06 WAC describing the conditions under which interest may be waived on past due receivables.

85.54.50.d RCW 19.16.500 and 82.32.265 allow the use of collection agencies for the purpose of collecting public debts. Agencies are encouraged to use collection agencies whenever they determine that this will be more cost effective than internal collection efforts. Debts may be assigned to a collection agency when all of the following conditions have been met:

- A written contract has been established with the collection agency;
- There has been an attempt to notify the debtor of the existence of the debt and the fact that the debt may be assigned to a collection agency for collection if the debt is not paid; and
- At least thirty days have elapsed from the attempted notice.

The Department of Enterprise Services maintains a statewide contract for "collection agency services." This contract may be used by state agencies and satisfies the requirements of this section.

Collection agency services are not to be used for the collection of receivables in the following categories: Due From Federal Government, Other Governments, Other Funds, and Other Agencies.

Agencies should be aware that the assignment of accounts to "letter services," which send debtors a series of letters but do not actually collect monies for the state, is not subject to the above requirements. Agencies may use such "letter services" as part of their collection efforts whenever they determine such services to be cost effective. The same is true of "pre-collect" services that send the 30-day notice but do not collect money for the state.

85.54.50.e The Office of the Attorney General has a Bankruptcy and Collection Unit (BCU) specializing in bankruptcy cases and other collection situations. Use of BCU services can be cost effective and should be coordinated through the assistant attorney generals assigned as agency general legal counsels.

85.54.50.f Agencies are to document all efforts made toward the collection of receivables.

85.54.52 Collecting NSF Checks

January 1, 2012

Agencies are encouraged to take advantage of the Uniform Commercial Code (UCC) provisions for dealing with NSF checks. This may be accomplished by agency collection procedures or through use of state contracts from the Department of Enterprise Services (DES) for letter writing services and NSF collection services. In either case, the UCC provisions found at RCW 62A.3-515 through 62A.3-525 are applicable.

1. Under the provisions of the UCC, agencies must send a notice of dishonor meeting statutory requirements that are contained in RCW 62A.3-520.
2. After sending notice of dishonor, under the provisions of the UCC, agencies may:
   - Collect a reasonable handling fee for each NSF check. Agencies must establish their handling fee by rule. Agencies that intend to use the state contract for NSF check collections through DES should establish fees consistent with the rates in the state contract.
   - After 15 days notice, charge interest at the rate of 12 percent per year.

3. If the matter goes to court, collect reasonable attorney fees, and damages of three times the face amount of the check or three hundred dollars, whichever is less. Agencies should consult with legal advisors regarding any question as to how the UCC provisions coordinate with other enforcement provisions available to the agency. Agency statutes may supersede, supplement, or otherwise affect the operation of the UCC provisions.

85.54.55 Uncollectible receivables

July 1, 2008

85.54.55.a The allowance method of accounting for uncollectible receivables is to be used by agencies.

85.54.55.b Estimates of total uncollectible receivables are to be made at least quarterly and adjusting entries are to be recorded in the agency's accounting records to the allowance for uncollectible receivables. Refer to Subsection 85.65.32.b and c for illustrative entries.

85.54.55.c Generally accepted accounting principles require that a determination be made between receivables deemed to be collectible and those considered not economically collectible, including those not collectible at all.

Agencies are to develop and follow written criteria for the determination of uncollectibility. Receivables determined to be uncollectible are to be written off promptly against the appropriate allowance account (GL Code Series 134X). Refer to Subsection 85.65.32.d for an illustrative entry.

85.54.55.d Prior to or promptly after the write-off of uncollectible receivables occurs, the write-off is subject to management review using procedures developed by the agency in cooperation with the Office of the Attorney General. These procedures may call for the Attorney General's review of certain types of receivables to ensure that no cost-effective legal means of collecting the receivables remain. After management review, any account determined to have been inappropriately written off is to be returned to the accounting records by reversing the write-off entries.

85.54.55.e Agencies may find it cost effective to pursue minimal collection actions for certain types of accounts after the write-off has occurred. Examples of minimal collection actions include routine periodic computer matches with new accounts and allowing student or client records to remain “flagged” for receivables.

85.54.55.f In cases where an allowance account does not have a sufficient balance or where an agency fails to establish an allowance account, agencies are to write off uncollectible receivables as follows:

- In governmental fund type accounts, the uncollectible receivable should generally be written off by reversing the coding that was used when the receivable was established. In situations where the receivable relates to the accrual of federal or private/local revenue, agencies should contact their OFM Accounting Consultant for assistance.
- In proprietary fund type accounts, the accounts receivable should be written off to GL Code 6515 "Bad Debts Expense." However, if the proprietary account is budgeted and the receivable originated through an offset to expenditures, then the adjustment to write down the receivable should be a reversal of the original entry.

When the write off involves the receivable of federal or private/local revenues, agencies should contact their assigned OFM Accounting Consultant.

85.54.60 Documentation

May 1, 1999

Transactions affecting receivables are to be supported by documents indicating all pertinent information relating to the transactions. Detailed postings of these documents are to be recorded and maintained in the subsidiary ledgers for all outstanding receivables. Detailed postings are to be summarized and entered in the general ledger control account. Typical transactions affecting receivables include the following:

85.54.60.a **Establishment of receivables.** Sequentially numbered billing documents (invoices) are to be used. Upon completion of transactions, invoices are to be prepared and sent to debtors. Invoices are to contain at a minimum: a description of the goods or services provided; the date(s) provided; the amount of the debt; and the invoice due date. Files of these documents are to be maintained by the agency. These files are to include a means of sequentially accounting for billing documents.

85.54.60.b **Recording of receipts.** Daily receipts applicable to receivables are to be entered in detail to a daily cash record. Detail listings are to support summary totals. The detail is to disclose the name of the payee or account number, amount received, invoice number if available, mode of payment, and check number if applicable.

85.54.60.c **Adjustments of receivables.** Any adjustment increasing or decreasing the amount of receivables carried on the books of an agency is to be supported by a revised billing document, a credit memorandum, or other appropriate documentation. Written procedures are to be developed and followed to ensure that only authorized adjustments are recorded.

85.54.60.d **Valuation of receivables.** Valuation of receivables using the allowance method is to be made at least quarterly and at fiscal year-end to reflect the amount of receivable balances estimated to be collectible. This transaction is to be documented by means of a Journal Voucher (A7). Refer to Subsection 85.65.32.b and c for illustrative entries.

85.54.60.e **Collection efforts.** A written record is to be kept, by account, on collection efforts. However, general system documentation may support billing and past due notices produced by automated systems.

85.54.60.f **Write-offs of uncollectible receivables.** For accounting and financial reporting purposes, write-offs of uncollectible receivables are to be made against the appropriate allowance accounts (GL Code Series 134X or Series 164X).

Transactions are to be documented by means of Journal Vouchers (A7). Refer to Subsection 85.65.32.d for an illustrative entry. The name of the debtor, the date of inception of the account, and the amount of the account being written-off are to be part of the supporting documentation for the Journal Voucher (A7).

85.54.60.g **Records retention for write-offs.** The records regarding uncollectible accounts are subject to retention, archival, and destruction according to the applicable statutes and the agency's records retention policies.

85.54.65 Subsidiary ledgers

July 1, 2012

85.54.65.a Agencies are to establish and maintain a detailed subsidiary ledger on an open item basis (i.e., an entry in the subsidiary ledger for each outstanding amount due). The following specific information, at a minimum, is to be maintained:

- Name of debtor
- Account number of debtor (or Unified Business Identifier number), if assigned
- Address of debtor, if available
- General ledger control code (or equivalent indicator)
- Account code (or equivalent indicator)
- Description of each outstanding charge and/or credit*
- Invoice or document number*
- Date of invoice or document*
- Invoice due date (if different from date of invoice)*
- Amount of each charge and/or credit*

* In open item systems, these items are maintained in supporting documentation **for paid items only**. In previously existing balance forward systems, which may be used only with approval from OFM's Office of the Chief Information Officer, these items should be maintained in supporting documentation to the subsidiary ledger.

85.54.65.b Subsidiary ledgers are to be balanced against the associated general ledger control accounts at least monthly.

85.54.65.c Current subsidiary ledgers are to be periodically purged of accounts/items which are no longer outstanding. For example, accounts/items that have been paid should not be retained on the current subsidiary ledger file but should be moved to a historical file for retention purposes.

85.56
Inventories

85.56.10 Inventory management and control procedures are in Chapter 35

May 1, 1999

Agencies are to comply with the OFM prescribed inventory policies and procedures in Chapter 35 of this manual.

85.56.20 Consumable inventories

June 1, 2014

When the fiscal year-end balance of consumable inventories on-hand at an inventory control point is estimated to exceed $50,000 in value, agencies are to select, and consistently apply, one of the following two accounting alternatives.

85.56.20.a **Periodic Inventory Method**

1. Purchases of consumable inventories during the year are recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" using Object E and crediting cash. Refer to Subsection 85.65.38.a for an illustrative entry.

2. No entry is required to record the use of consumable inventories during the year.

3. An annual adjustment is recorded to reflect the actual inventory balance as determined by a physical inventory count. Refer to Subsection 85.65.38.c for an illustrative entry.

4. In governmental fund type accounts, an additional entry is required at year-end to adjust the nonspendable portion of fund balance to indicate that the amount of consumable inventories is not available for appropriation.

    - If consumable inventories increased during the year, the additional adjusting entry is recorded by debiting the appropriate fund equity GL code and crediting GL Code 9120 "Nonspendable Consumable Inventories" for the amount of the increase. Refer to Subsection 85.65.38.c for an illustrative entry.

- This entry is reversed if consumable inventories decreased during the year.

- The balance in GL Code 9120 "Nonspendable Consumable Inventories" at year end is to equal the balance in GL Code 1410 "Consumable Inventories."

85.56.20.b **Perpetual Inventory Method**

1. Purchases of consumable inventories during the year are recorded as assets by debiting GL Code 1410 "Consumable Inventories" and crediting the appropriate cash or payable GL code. Refer to Subsection 85.65.40.a for an illustrative entry.

2. To record the use of consumable inventories during the year, GL Code 6510 "Cash Expenditures/Expenses" is debited and GL Code 1410 "Consumable Inventories" is credited. Refer to Subsection 85.65.40.b for an illustrative entry.

3. An adjustment may be required to reflect the actual ending inventory balance as determined by performing a physical inventory count.

4. In governmental fund type accounts, an additional adjusting entry is required at year-end to adjust the nonspendable portion of fund balance to indicate that the amount of consumable inventories is not available for appropriation.

    - If GL Code 1410 "Consumable Inventories" increased, the adjusting entry is recorded by debiting the appropriate fund equity GL code and crediting GL Code 9120 "Nonspendable Consumable Inventories" for the amount of the increase.

    - This entry is reversed if GL Code 1410 "Consumable Inventories" decreased.

    - The balance in GL Code 9120 "Nonspendable Consumable Inventories" at year end equals the balance in GL Code 1410 "Consumable Inventories."

85.56.30 Merchandise inventories in proprietary fund type accounts

May 1, 1999

Agencies are to select, and consistently apply, one of the following alternatives to account for merchandise inventories in proprietary fund type accounts.

85.56.30.a **Periodic Inventory Method**

1. Purchases of merchandise during the year are recorded as expenses by debiting GL Code 6516 "Cost of Goods Sold" using Object F and crediting the appropriate cash or payable GL code. Refer to Subsection 85.65.42.a for an illustrative entry.

2. Sales of merchandise are recorded by debiting the appropriate receivable or cash GL code and crediting GL Code 3205 "Accrued Revenues" or GL Code 3210 "Cash Revenues" as appropriate with either Revenue Source Code 0450 or 0455. Refer to Subsection 85.65.42.b for an illustrative entry.

3. An annual adjustment is required to reflect the actual ending inventory balance as determined by performing a physical inventory count. If merchandise inventories increased during the year, this adjustment is accomplished by debiting GL Code 1420 "Merchandise Inventories" and crediting GL Code 6516 "Cost of Goods Sold" using the same object codes that were used in (1) above to purchase the merchandise. If merchandise inventories decreased during the year, this entry would be reversed. Refer to Subsection 85.65.42.c for an illustrative entry.

85.56.30.b **Perpetual Inventory Method**

1. Purchases of merchandise during the year are recorded as assets by debiting GL Code 1420 "Merchandise Inventories" and crediting the appropriate cash or payable GL code. Refer to Subsection 85.65.44.a for an illustrative entry.

2. Sales of merchandise are recorded by debiting the appropriate receivable or cash GL code and crediting GL Code 3205 "Accrued Revenues" or GL Code 3210 "Cash Revenues" as appropriate with either Revenue Source Code 0450 or 0455.

   An additional entry is required to reflect the change in inventory. This entry debits GL Code 6516 "Cost of Goods Sold" using Object F and credits GL Code 1420 "Merchandise Inventories" for the cost of the merchandise sold. Refer to Subsection 85.65.44.b for illustrative entries.

3. An adjustment is also usually required to reflect the actual inventory balance as determined by performing a physical inventory count. If the merchandise inventories count discloses an increase over the Merchandise Inventory amount (in GL Code 1420), an adjustment is necessary and is accomplished by debiting GL Code 1420 "Merchandise Inventories" and crediting GL Code 6516 "Cost of Goods Sold" using the same object code used in (2) above upon sale of the merchandise. If the merchandise inventories count discloses an amount less than the balance in GL Code 1420, the preceding entry would be reversed. Refer to Subsection 85.65.42.c for an illustrative entry.

85.56.40 Donations of consumable inventories

January 1, 2014

85.56.40.a Record the receipt of donated consumable inventories, **other than federally donated consumable inventories**, in GL Code 1415 “Donated Inventories” and recognize revenue in GL Code 3220 “Noncash revenue” with Revenue Source Code 0441 “Contributions and Grants.”

In governmental fund type accounts, an additional entry is required to adjust the nonspendable portion of fund balance to indicate that the donated consumable inventories on hand are no longer available for appropriation. This entry is recorded by debiting the appropriate fund equity GL code and crediting GL Code 9120 "Nonspendable Consumable Inventories."

To record the use or distribution of donated consumable inventories during the year, debit GL Code 6525 "Expenditure Adjustments/Eliminations (GAAP)," or if non-appropriated GL Code 6510 "Cash Expenditures/ Expenses," with an appropriate subobject and credit GL Code 1415 "Donated Inventories." An additional entry in governmental funds is required to adjust the nonspendable portion of fund balance.

85.56.40.b The following revenue and expenditure/expense examples illustrate the perpetual method approach for recording the receipt and use of **federally donated consumable inventories**. The end result of the entries is that the balance in GL Code 1415 "Donated Inventories," which represents the value of donated inventories on hand, is exactly offset by GL Code 5190 "Unearned Revenues." Also, the amount of donated inventory revenue recognized during the year, GL Code 3225 "Revenue Adjustment/Elimination (GAAP)," is exactly offset by GL Code 6525 "Expenditure/Expense Adjustment/Elimination (GAAP)," the amount of donated inventory used or distributed during the year.

Revenue. The fair value of federally donated consumable inventories is recorded by debiting GL Code 1415 "Donated Inventories" and crediting GL Code 5190 "Unearned Revenue." If shipping costs were incurred by the state, they are to be recorded by debiting GL Code 1410 "Consumable Inventories," offset by a credit to the appropriate cash or payable GL code. Refer to Subsection 85.65.46.a for an illustrative entry.

Expenditures/expenses. To record the use or distribution of federally donated consumable inventories during the year, GL Code 6525 "Expenditure Adjustments/Eliminations (GAAP)" with an appropriate subobject is debited and GL Code 3225 "Revenue Adjustments/Eliminations (GAAP)" with an appropriate revenue source code is credited for the previously recorded fair value of the donated consumable inventories used or distributed.

The amount of shipping costs, if any, applicable to the used or distributed donated consumable inventories is to be removed (credited) from GL Code 1410 "Consumable Inventories" and GL Code 6510 "Cash Expenditures/ Expenses" is to be debited. Refer to Subsection 85.65.46.b for an illustrative entry.

Year-end adjustment. At year-end, an entry to GL Code 1415 is required to adjust its balance to the federally donated inventory on hand. The offsetting entry is recorded to GL Code 5190 "Unearned Revenues."

Shipping costs (if applicable) of donated consumable inventories on hand at fiscal year-end is to be included in the ending balances of GL Code 1410 "Consumable Inventories."

In governmental fund type accounts, an additional entry is required to adjust the nonspendable portion of fund balance to indicate that the shipping costs expended on donated consumable inventories on hand are no longer available for appropriation.

This entry is recorded by debiting the appropriate fund equity GL code and crediting GL Code 9120 "Nonspendable Consumable Inventories" for the amount of the increase in shipping costs in GL Code 1410. This entry would be reversed for a decrease in shipping costs in GL Code 1410. Refer to Subsection 85.65.46.c for an illustrative entry.

85.56.40.c **Transfers between agencies.** If donated inventory is transferred between agencies, the sending agency records the transfer by reversing the entry made when the inventory was received. Because the sending agency is not consuming the inventory, it does not record expenditure for inventory transferred to other agencies. The receiving agency is to record the receipt and use of the donated inventory.

85.58
Prepaid Expenses

85.58.10 Prepaid expenses

July 1, 2008

85.58.10.a Prepaid expenses are those certain types of supplies and/or services (not inventory) that are acquired or purchased during an accounting period but not used or consumed during that accounting period. In Washington, because goods and services generally must be received prior to payment, prepaid expenses will be limited.

Examples of prepaid expenses that may be acquired include insurance, maintenance services contracts, Washington State *Good to Go* toll accounts, and postage, books, and periodicals. Refer to Subsection 85.32.50.b, .c, and .d.

85.58.10.b In governmental fund type accounts, prepaid expenses are generally accounted for using the purchases method. Under the purchases method, prepaid expenses are treated as expenditures when purchased rather than accounted for as an asset.

85.58.10.c Prepaid expenses are recorded as assets in proprietary and trust fund type accounts. Refer to Subsection 85.65.50.a for an illustrative entry.

The portion of supplies or services consumed or used during a period is recorded as an expense. Refer to Subsection 85.65.50.b for an illustrative entry. The balance that remains is reported as an asset in GL Code 1510 “Prepaid Expenses” until consumed or used.

85.60
Capital Assets

85.60.10 About capital assets
July 1, 2009

Capital assets are 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. Refer to Chapter 30 of this manual.

Capital assets are classified for general ledger purposes as land; transportation infrastructure-modified approach; art collections, library reserve collections, and museum and historical collections (both exhaustible and inexhaustible); buildings; improvements other than buildings; infrastructure; furnishings and equipment; intangible assets; library resources; and construction in progress.

Subsection 75.40.20 of this manual describes the various capital asset general ledger codes.

85.60.20 Asset valuation
July 1, 2001

Valuation requirements for capital assets are listed in Chapter 30 of this manual.

85.60.30 Acquisitions of capital assets
July 1, 2015

85.60.30.a **Governmental Fund Type Accounts -** In governmental fund type accounts, acquisitions of capital assets are recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" using appropriate subobjects such as those within Object J "Capital Outlays."

For accountability purposes, the asset is also recorded in Account 997 "General Capital Assets Subsidiary Account" by debiting GL Code Series 2XXX "Capital Assets" and crediting GL Code 9850 "Investment in General Capital Assets." Refer to Subsection 85.65.52.a for illustrative entries.

When capital assets are donated to a governmental fund type account, no entry is made in the operating account because governmental funds use the current financial resources measurement focus. However, the capital assets are recorded in Account 997 "General Capital Assets Subsidiary Account" at their estimated acquisition value at the date of donation plus all appropriate ancillary costs. Refer to subsection 85.65.52.a for an illustrative entry.

85.60.30.b **Proprietary and Trust Fund Type Accounts** - In proprietary and trust fund type accounts, acquisitions of capital assets are recorded by debiting GL Code Series 2XXX "Capital Assets." Budgeted proprietary and trust fund type accounts require an additional entry to record the budgeted expense. This entry debits GL Code 6510 "Cash Expenditures/Expenses" using appropriate subobjects such as those within Object J "Capital Outlays" and credits GL Code 6525 "Expense Adjustments/ Eliminations (GAAP)" with the same subobject code. Refer to Subsection 85.65.52.b for illustrative entries.

Donations of capital assets to proprietary and trust fund type accounts are recorded in the acquiring account at their estimated acquisition value at the date of donation by debiting GL Code Series 2XXX "Capital Assets" and crediting GL Code 3220 "Noncash Revenues" with Revenue Source Code 0820 "Capital Contributions" or other appropriate revenue source code. Refer to Subsection 85.65.52.b for an illustrative entry.

85.60.30.c **Assets that do not meet the state's capitalization policy** - Purchases of assets that do not meet the state's capitalization policy (for example, equipment or software with a unit cost under $5,000) are to be recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" with the appropriate Subobject JA "Noncapitalized Assets" or JB "Noncapitalized Software." Refer to Subsection 85.65.54 for an illustrative entry.

85.60.40 Depreciation/amortization of capital assets

June 1, 2013

Generally, debits to Allowance for Depreciation or Allowance for Amortization accounts should only occur as a result of assets being disposed of or transferred out.

Generally, credits to Allowance for Depreciation or Allowance for Amortization accounts should only occur as a result of recording Depreciation/ Amortization Expense (GL Codes 6511 or 6591) or assets being transferred in.

Immaterial prior period adjustments to Allowance for Depreciation or Allowance for Amortization in proprietary and trust fund-type accounts are offset by Depreciation/Amortization Expense (GL Code 6511).

For immaterial prior period adjustments to Allowance for Depreciation or Allowance for Amortization in Account 997 General Capital Assets Subsidiary Account, refer to Subsections 90.20.15.f and illustrative entries at 90.30.35.g and .h.

85.60.40.a **Governmental Fund Type Accounts -** Depreciation/Amortization Expense and Allowance for Depreciation and Allowance for Amortization for depreciable general capital assets are to be recorded in Account 997 "General Capital Assets Subsidiary Account." This entry debits GL Code 6591 "Depreciation/Amortization Expense" with Subobject WA "Depreciation/Amortization Expense," and credits GL Code Series 2XXX "Allowance for Depreciation" or "Allowance for Amortization."

Agencies may depreciate assets using the straight-line method or a composite method.

Section 30.50 contains Schedule A that details the Capital Asset Class Codes List and Useful Life Schedule.

For further information on depreciation methods, refer to Subsection 30.20.70.b. Refer to Subsection 85.65.56.a for an illustrative entry.

85.60.40.b **Proprietary and Trust Fund Type Accounts -** Depreciation or amortization expense for capital assets is to be recorded in the same account in which the capital asset is recorded by debiting GL Code 6511 "Depreciation/Amortization Expense" with Subobject WA "Depreciation/Amortization Expense," and by crediting GL Code Series 2XXX "Allowance for Depreciation" or "Allowance for Amortization."

Agencies may depreciate assets using the straight-line method or a composite method.

Section 30.50 contains Schedule A that details the Capital Asset Class Codes List and Useful Life Schedule.

For further information on depreciation methods, refer to Subsection 30.20.70.b. Refer to Subsection 85.65.56.b for an illustrative entry.

85.60.45 Impairment of capital assets and related insurance recoveries

July 1, 2009

85.60.45.a Capital assets that become impaired during the year may require an accounting adjustment to reflect the decrease in carrying value. Refer to Subsection 30.20.90.a.

Changes in legal, regulatory, contractual or technological conditions may result in the impairment of a capital asset. Changes to the duration of the useful life of an asset will determine if there is an impairment loss to be recognized and a change to the amortization of the remaining carrying value over the remaining estimated useful life of the asset.

Impairments are considered to be permanent; therefore, a temporary decline in an asset's service utility does not affect the carrying value of the asset. If in future years the events or circumstances that caused an impairment change, the past impairment losses recognized are not reversed.

Impairment losses are generally reported as direct expenses to the program that uses or used the impaired capital asset. Contact your agency's OFM Accounting Consultant for further guidance on measuring and recording an impairment. Physical damage to the state highway system infrastructure, accounted for using the modified approach, is generally considered temporary and does not result in recording a loss. However, if the highway network or a subsystem remains damaged and idle, the carrying amount is disclosed at year-end.

The carrying amounts of impaired capital assets that are idle at fiscal year-end are to be included in the agency's disclosures to OFM.

85.60.45.b Insurance recoveries related to impaired assets are reported net of the related loss when the recovery is realized or realizable in the same fiscal year as the loss. Restoration or replacement costs of an impaired capital asset are reported as a separate transaction from the related insurance recovery.

85.60.50 Disposal of capital assets

January 1, 2014

Entries are to be made during the year to record the disposition of capital assets.

85.60.50.a **Governmental Fund Type Accounts -** Dispositions of capital assets that were originally acquired by governmental fund type accounts, are to be recorded in Account 997 "General Capital Assets Subsidiary Account." Such assets disposed of during the year are recorded by debiting GL Code Series 2XXX "Allowance for Depreciation" for the accumulated depreciation to date, debiting GL Code 6597 "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)" for the asset's undepreciated (net book) value, if any, and crediting GL Code Series 2XXX "Capital Assets" for the original cost of the asset. Refer to Subsection 85.65.58.a for an illustrative entry.

Net proceeds received from the disposition of capital assets are generally recorded in the account that originally acquired the asset. If an estimate of the net proceeds from disposition was included in the budget for replacement of capital asset acquisitions and the expenditure for the acquisition of the new capital assets has already been recorded at gross, then the net proceeds are to be recorded by debiting GL Code Series 71XX "In-Process," or GL Code 1110 "Cash in Bank" and crediting to GL Code 6510 "Cash Expenditures/Expenses" with the same appropriation and Object J coding used to record the acquisition of the replacement asset.

This entry reduces the expenditure to net. Refer to Subsection 85.65.58.a for an illustrative entry.

If the net proceeds from disposition were not included in the budget for new capital asset acquisitions, the net proceeds received are to be recorded by debiting GL Code Series 71XX "In-Process" or GL Code 1110 "Cash in Bank" and crediting GL Code 3210 "Cash Revenue" with Revenue Source Code 0416 "Sale of Property – Other." Refer to Subsection 85.65.58.a for an illustrative entry.

If a capital asset originally acquired by a governmental fund type account is used as a trade-in for a new capital asset, the asset traded in is removed from Account 997 "General Capital Assets Subsidiary Account" similar to a sale above. The new capital asset is recorded at its cost net of the trade-in as an expenditure in the operating account. In Account 997 "General Capital Assets Subsidiary Account," the value of the new asset recorded is the sum of the expenditure reported in the operating account and the net book value of the asset traded in. Refer to Subsection 85.65.60.a for an illustrative entry.

Proprietary and Trust Fund Type Accounts - In proprietary and trust fund type accounts, dispositions of capital assets are accounted for in the account where the asset is recorded. Disposals of capital assets are recorded by debiting GL Code Series 2XXX "Allowance for Depreciation" for the accumulated depreciation to date, debiting GL Code Series 71XX "In-Process," or GL Code 1110 "Cash in Bank" for the net proceeds received (if any), crediting the appropriate GL Code Series 2XXX "Capital Assets" for the original cost of the asset, and a balancing entry to GL Code 3213 "Gain and Loss on Sale of Capital Assets" with Revenue Source Code 0418 "Gain or Loss on Sale of Capital Assets." Refer to Subsection 85.65.58.b for illustrative entries.

85.60.50.b **Recording proceeds in budgeted accounts** - In budgeted proprietary and trust fund type accounts, an additional entry is required to record the net proceeds received upon disposition.

If the estimated net proceeds from disposition were included in the budget for replacement capital asset acquisitions and the purchase of the new capital asset has been recorded at gross, then the following entry is to be made. The agency is to debit GL code 6525 "Expense Adjustments/ Eliminations (GAAP)" with an appropriate subobject within Object J "Capital Outlays" and credit GL Code 6510 "Cash Expenditures/ Expenses" with the same appropriation and subobject for the net proceeds received from disposition. This entry reduces the budgeted expense to net. Refer to Subsection 85.65.58.b for illustrative entries.

If the estimated net proceeds from disposition were budgeted as revenue (and not included in the budget for new capital asset acquisition(s)), then the entry is to debit GL Code 3225 "Revenue Adjustments/Eliminations (GAAP)" with Revenue Source Code 0416 "Sale of Property - Other" and credit GL Code 3210 "Cash Revenues" with the same revenue source code. Refer to Subsection 85.65.58.b for illustrative entries.

85.60.50.c **Trade-ins** - In proprietary and trust fund type accounts, no gain is recognized on a trade-in. The capital asset traded in and its associated accumulated depreciation are removed from the accounting records and the balancing entry is added to the cost of the new capital asset. Refer to Subsection 85.65.60.b for an illustrative entry.

85.60.60 Reconciliation of capital assets

July 1, 2012

The balance in GL Code Series 2XXX "Capital Assets" is to agree with the balance of the detail listing of capital assets in the agency's authorized capital asset management system. Agencies using the state's Capital Asset Management System (CAMS) have available capital asset reports for both cost and depreciation showing beginning balances, additions, deletions, and ending balances. Agencies not using the state's CAMS are to develop similar capital asset reports.

All agencies are to reconcile their authorized capital asset management system with the balances in GL Code Series 2XXX "Capital Assets" to ensure the accuracy of the balances in the general ledger. As a result of this reconciliation, prior period adjustments may be required. Prior period adjustments are discussed further in Subsection 90.20.15 and illustrated in Subsection 90.30.30.

85.60.70 Capital assets acquired through capital lease

July 1, 2008

85.60.70.a **Governmental Fund Type Accounts** - Leased asset acquisitions that meet the definition of a capital lease (refer to Subsections 30.20.30 and 85.72.30) are to be capitalized at the lesser of the fair value or the net present value of the future minimum lease payments at the inception of the lease.

The entry for a leased asset acquisition is recorded by debiting GL Code 6514 "Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation" with an appropriate subobject within Object J "Capital Outlays" and crediting GL Code 3221 "Other Financing Sources" with Revenue Source Code 0809 "Capital Lease Acquisitions."

Corresponding entries are made in (a) Account 997 "General Capital Assets Subsidiary Account" by debiting GL Code Series 2XXX "Capital Assets" and crediting GL Code 9850 "Investment in General Capital Assets" (refer to Subsection 85.65.62.a for illustrative entries), and (b) Account 999 "General Long-Term Obligations Subsidiary Account" to record the related lease liability. Subsection 85.85.40.a shows detailed illustrations for recording lease liabilities and subsequent payments on leases in Account 999.

Leased asset acquisitions that do not meet the definition of a capital lease (refer to Subsection 30.20.30) are treated like operating leases until after the date of actual transfer of ownership. Operating lease payments are to be recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" with Subobject ED "Rentals and Leases - Land and Buildings" or EH "Rentals and Leases - Furnishings and Equipment." If noncapitalized leased assets are subsequently acquired (i.e., through transfer of title at the end of the lease period), they are to be recorded in Account 997 "General Capital Assets Subsidiary Account" at fair value at the time of title transfer. Refer to Subsection 85.65.62.a for illustrative entries.

85.60.70.b **Proprietary and Trust Fund Type Accounts -** In proprietary and trust fund type accounts, leased asset acquisitions that meet the definition of a capital lease (refer to Subsections 30.20.30 and 85.72.30) are to be capitalized at the lesser of the fair value or the net present value of the future minimum lease payments at the inception of the lease.

The entry for a leased asset acquisition is recorded in the acquiring account by debiting GL Code Series 2XXX "Capital Assets" and crediting the appropriate lease liability GL code. Refer to Subsection 85.65.62.b for illustrative entries. Subsection 85.85.40.b shows detailed illustrations for recording lease liabilities and subsequent payments on leases.

Leased asset acquisitions that do not meet the definition of a capital lease (refer to Subsection 30.20.30) are treated like operating leases (expensed, but not capitalized) until after the date of actual transfer of ownership. Operating lease payments are to be recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" with Subobject ED "Rentals and Leases – Land and Buildings" or EH " Rentals and Leases – Furnishings and Equipment." If noncapitalized leased assets are subsequently acquired (i.e., through transfer of title at the end of the lease period), they are to be valued at fair market value at the time of title transfer. The asset is recorded by debiting GL Code Series 2XXX "Capital Assets" and crediting GL Code 3210 "Cash Revenues" with Revenue Source Code 0486 "Recoveries of Prior Appropriation Expenditures." Refer to Subsection 85.65.62.b for illustrative entries.

85.60.80 Capital assets acquired through Certificates of Participation (COP)

July 1, 2012

85.60.80.a **Governmental Fund Type Accounts -** Capital assets acquired through the Office of the State Treasurer (OST) Certificate of Participation (COP) program are recorded with:

- An entry in the acquiring operating account for the activity (debiting GL Code 6514 and crediting GL Code 3221).
- An entry in the General Capital Assets Subsidiary Account (Account 997) to record the capital asset.
- An entry in the General Long-Term Obligations Subsidiary Account (Account 999) to record the COP liability.

For further information on COPs, refer to Subsections 85.72.40, 85.85.45, and 85.85.50.

85.60.80.b **Proprietary and Trust Fund Type Accounts -** Capital assets acquired through OST's Certificate of Participation program are recorded with:

- An entry in the acquiring account to record the capital asset and the COP liability.
- An additional entry in the acquiring account to record the budgeted disbursement if the account is budgeted.

For further information on COPs, refer to Subsections 85.72.40, 85.85.45, and 85.85.50.

85.60.90 Accounting for the construction of capital assets

July 1, 2008

85.60.90.a An agency may choose either to construct its own capital assets or hire an outside contractor to do the construction. All direct construction costs and indirect costs that are related to construction of capital assets are to be recorded in the account incurring the expenditures. Agency project management costs may be capitalized directly, when practicably discernible and directly associated with the project, or through the application of a percentage of total budgeted project costs.

The application rate may or may not be designed to recover total agency project management costs. Refer to the OFM Capital Plan instructions for discussion of maximum percentage limitations.

In enterprise and trust funds, net interest costs (if material) incurred during the period of construction are included in the capitalized cost of the asset.

Capitalized interest on assets constructed with tax-exempt borrowing should be netted against any interest earned on the investment of the proceeds of the related tax-exempt borrowings. Interest costs are not capitalized in governmental and internal service funds. Refer to Subsection 30.20.10.b.

85.60.90.b **Governmental Fund Type Accounts -** All costs incurred for the construction of capital assets are recorded in the account incurring the expenditure by debiting GL Code Series 65XX "Expenditure/Expenses" with the appropriate subobject(s). Refer to Section 30.20 for further details on capitalizable costs. For construction projects not completed at the end of the accounting period, a corresponding entry is made to record the construction in progress in Account 997 “General Capital Assets Subsidiary Account.” This is accomplished by debiting GL Code 2510 “Construction in Progress” and crediting GL Code 9850 “Investment in General Capital Assets.” Refer to Subsection 85.65.64.a for illustrative entries.

Upon completion of the project, construction costs accumulated in the construction in progress account are reclassified to the appropriate capital asset GL code in Account 997 “General Capital Assets Subsidiary Account.” Refer to Subsection 85.65.64.a for illustrative entries.

Agencies that finance capital asset construction through OST's COP Real Estate Program should refer to Subsection 85.72.40 and 85.85.50 for more information regarding COP accounting requirements for the Real Estate Program.

85.60.90.c **Proprietary and Trust Fund Type Accounts -** In proprietary and trust fund type accounts, all costs incurred for the construction of capital assets are to be recorded in the account incurring the costs by debiting GL Code 2510 “Construction in Progress.”

If the account is budgeted, an additional entry is required to record the budgeted disbursement. This entry debits GL Code Series 65XX "Expenditures/Expenses" with the appropriate subobject(s) and credits GL Code 6525 "Expense Adjustments/ Eliminations (GAAP)" with the same subobject code(s). Refer to Subsection 85.65.64.b for illustrative entries. Refer to Section 30.20 for further details on capitalizable costs.

Upon completion of the project, the balance in GL Code 2510 "Construction in Progress" is reclassified to the appropriate capital asset GL code. This entry debits GL Code Series 2XXX "Capital Assets" and credits GL Code 2510 "Construction in Progress" for the total costs accumulated. Refer to Subsection 85.65.64.b for illustrative entries.

85.60.95 Accounting for the transfer of vehicles to the State Motor Pool

January 1, 2012

An unusual accounting situation arises when a state agency that has purchasing authority purchases a vehicle but does not have the resources to manage or maintain it or when an agency is required by the Governor's Fleet Optimization Order to transfer vehicles to the Department of Enterprise Services (DES), State Motor Pool.

The purchasing agency has exclusive use of the vehicle and DES treats the vehicle as part of the State Motor Pool, maintaining it and tracking its usage. DES charges the agency normal vehicle rates for use and applies a credit for the vehicle capital costs. Refer to RCW 43.19.605.

85.60.95.a Accounting for the purchase and transfer of the vehicle to DES depends on the fund type of the account used to purchase the vehicle.

1. **Governmental Fund Type Accounts -** The acquisition of the vehicle is recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" using Subobject JC "Furnishings and Equipment" and crediting either GL Code 71XX "In-Process" or GL Code 1110 "Cash in Bank."

2. **Proprietary and Trust Fund Type Accounts -** The acquisition of the vehicle is recorded by debiting GL Code 1510 "Prepaid Expense" and crediting either GL Code 71XX "In-Process" or GL Code 1110 "Cash in Bank."

Note: Budgeted proprietary accounts require an additional entry to record the budgeted expense. This entry debits GL Code 6510 "Cash Expenditures/Expenses" using Subobject JC "Furnishings and Equipment" and credits GL Code 6525 "Expense Adjustments/ Eliminations (GAAP)" using Subobject JC.

85.60.95.b DES records the transfer of ownership in Account 422 "Enterprise Services Account" by debiting GL Code 2410 "Furnishings and Equipment" and crediting GL Code 5290 "Unearned Revenues."

85.60.95.c Accounting for the usage of the vehicle depends on the fund type of the account that initially purchased it.

1. **Governmental Fund Type Accounts -** The **net** amount billed by DES for the vehicle is recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" using Subobject GN "Motor Pool Services" and crediting either GL 71XX "In-Process" or GL Code 1110 "Cash in Bank."

2. **Proprietary and Trust Fund Type Accounts -** The **net** amount billed by DES for the vehicle is recorded by debiting GL Code 6510 "Cash Expenditures/Expenses" using Subobject GN "Motor Pool Services" and crediting either GL Code 71XX "In-Process" or GL Code 1110 "Cash in Bank." An additional entry is required to record the amortization of the vehicle cost by debiting GL Code 6525 "Expense Adjustments/Eliminations (GAAP)" using Subobject GN "Motor Pool Services" and crediting GL Code 1510 "Prepaid Expenses."

85.60.95.d DES records the revenue for the vehicle in two steps: **first**, DES records the payment from the agency using the vehicle by debiting GL Code 71XX "In-Process" and crediting GL Code 3210 "Cash Revenues" using Revenue Source Code 0420 "Charges for Services;" and **second**, DES records the amortization of the vehicle cost by debiting GL Code 5290 "Unearned Revenues" and crediting GL Code 3210 using Revenue Source Code 0420.

85.60.97 Accounting for Interagency/Interfund Capital Asset Transfers

January 1, 2014

85.60.97.a **Assets transferred between state agencies**
When a capital asset is transferred from (sold by) one agency to another, the receiving agency is to record the asset at the carrying value of the transferring agency. The transferring agency is to provide the receiving agency with the carrying value of the asset transferred. The recording of the transfer (sale) is dependent upon the fund types of the accounts involved. Refer to Subsection 85.60.97.b and c.

85.60.97.b **Assets transferred between fund type accounts**
When a capital asset that was used to support a function reported in a governmental fund type account is later transferred to a proprietary or fiduciary fund type account (or vice versa), only the proprietary or fiduciary fund type account reports the activity. The proprietary or fiduciary fund type account reports the book value of the capital asset offset by a capital contribution (transfer in) or a gain or loss on disposition (transfer out). No entry is made in the governmental fund type operating account because governmental funds use the current financial resources measurement focus. However, the capital asset would be recorded in Account 997 "General Capital Assets Subsidiary Account."

Refer to Subsection 85.65.66 for illustrative entries.

85.60.97.c **Assets transferred between proprietary fund type accounts**
When a capital asset is transferred from one proprietary fund type account to another, both the donor account and the recipient account offset the book value of the capital asset with a transfer.

85.65
Assets - Illustrative Entries

85.65.10 These entries are for illustrative purposes

May 1, 1999

The following entries illustrate transactions affecting assets. These entries are for illustrative purposes **only** and should **not** be considered all inclusive. Entries posted to GL Code Series 71XX "In-Process" in treasury and treasury trust accounts also require an entry, generally from the Office of the State Treasurer (OST) as illustrated below, to clear the In-Process GL Codes.

The entry would be reversed for In-Process debit amounts.

	Dr.	Cr.
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST Only) (4310)		xxx

85.65.12 Deposit of cash revenues

May 1, 1999

To record the deposit of cash revenue received. Refer to Subsections 85.50.10 and 85.50.20.

	Dr.	Cr.
Cash In Bank (1110) or Receipts In-Process (7110)	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx

85.65.14 Petty cash - treasury and treasury trust accounts

June 1, 2015

85.65.14.a To record the establishment of or an increase in a treasury or treasury trust petty cash account. Refer to Subsections 85.50.60.a or 85.50.70.a, respectively.

	Dr.	Cr.
Petty Cash (1130)	xxx	
Warrants/ACH Payments In-Process (7120)		xxx

85.65.14.b To record the abolishment of, or a reduction in, a treasury or treasury trust petty cash account. Refer to Subsection 85.50.60.f or 85.50.70.d, respectively.

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Petty Cash (1130)		xxx

85.65.16 Petty cash - local accounts

June 1, 2015

85.65.16.a To record the establishment of, or an increase in, a local petty cash account. Refer to Subsection 85.50.70.a.

	Dr.	Cr.
Petty Cash (1130)	xxx	
Cash in Bank (1110)		xxx

85.65.16.b To record the abolishment of, or a reduction in, a local petty cash account. Refer to Subsection 85.50.70.d.

	Dr.	Cr.
Cash in Bank (1110)	xxx	
Petty Cash (1130)		xxx

85.65.18 Accounting for the acquisition of non-current investments

January 1, 2014

85.65.18.a To record the acquisition of non-current equity investments at trade date. Refer to Subsection 85.52.30.a.

	Dr.	Cr.
Investments (1210)	xxx	
Investment Trades Pending Payable (5123)		xxx

85.65.18.b To record the settlement of the trade for acquisition of non-current equity investments. Refer to Subsection 85.52.30.a.

	Dr.	Cr.
Investment Trades Pending Payable (5123)	xxx	
In-Process (71XX)		xxx

85.65.18.c To record the acquisition of non-current fixed income investments at trade date including purchased accrued interest. Refer to Subsection 85.52.30.a.

	Dr.	Cr.
Investments (1210)	xxx	
Interest Receivable on Investments (1316)	xxx	
Investment Trades Pending Payable (5123)		xxx

85.65.18.d To record the settlement of the trade for acquisition of non-current fixed income investments. Refer to Subsection 85.52.30.a.

	Dr.	Cr.
Investment Trades Pending Payable (5123)	xxx	
In-Process (71XX)		xxx

85.65.20 Accounting for earnings and costs associated with non-current investments

July 1, 2003

85.65.20.a To record interest or dividend income on non-current investments received in cash including purchased accrued interest. Refer to Subsection 85.52.10.

	Dr.	Cr.
Receipts In-Process (7110) or Cash in Bank (1110)	xxx	
Interest and Dividends Receivable (1316)		xxx
Cash Revenues (3210) Revenue Source Code (0401) Treasury Investment Income, (0409) Interest Income, or (0411) Dividend Income		xxx

85.65.20.b To record interest or dividend income on non-current investments which was reinvested.

	Dr.	Cr.
Investments (1210)	xxx	
Cash Revenues (3210) Revenue Source Code (0401) Treasury Investment Income, (0409) Interest Income, or (0411) Dividend Income		xxx

85.65.20.c To record the payment of investment related costs (e.g., advisor fees, consulting fees, manager fees) not associated with an investment sale transaction

	Dr.	Cr.
Cash Revenues (3210) Revenue Source Code (0473) Costs of Investment Activities	xxx	
Warrants/ACH Payments In-Process (7120)		xxx

85.65.22 Accounting for fair value adjustment to non-current investments

July 1, 2013

To record the adjustment to reflect an increase to the fair value of non-current investments. To record a decrease in fair value, the revenue entry is reversed. Refer to Subsection 85.52.30.b.

	Dr.	Cr.
Valuation Allowance - Investments (1280)	xxx	
Noncash Revenues (3220) Revenue Source Code (0413) Capital Gains and Losses		xxx

85.65.24 Accounting for the sale of non-current investments

July 1, 2013

85.65.24.a To record the sale at trade date of non-current investments and the resulting gain on investments. For a loss, the entry would be reversed. Refer to Subsection 85.52.30.c.

	Dr.	Cr.
Investment Trade Pending Receivable (1323)	xxx	
Accrued Revenues (3205) Revenue Source Code (0473) Cost of Investment Activities	xxx	
Investments (1210)		xxx
Accrued Revenues (3205) Revenue Source Code (0413) Capital Gains and Losses		xxx

85.65.24.b To record the settlement of the trade for the sale of non-current investments. For a loss, the entry would be reversed. Refer to Subsection 85.52.30.c.

	Dr.	Cr.
In-Process (71XX)	xxx	
Cash Revenues (3210) Revenue Source (0473) Costs of Investment Activities	xxx	
Accrued Revenues (3205) Revenue Source (0413) Capital Gains and Losses	xxx	
Cash Revenues (3210) Revenue Source (0413)		xxx
Capital Gains and Losses		xxx
Accrued Revenues (3205) Revenue Source (0473) Costs of Investment Activities		xxx
Investment Trades Pending Receivable (1323)		xxx

85.65.24.c To reverse the non-cash revenue recognized in posting adjustments to increase fair value. Entry would be reversed if fair value adjustments recorded a loss. Refer to Subsection 85.52.30.c.

	Dr.	Cr.
Noncash Revenues (3220) Revenue Source Code (0413)	xxx	
Capital Gains and Losses		
Valuation Allowance – Investments (1280)		xxx

85.65.24.d To reverse the nonspendable portion of fund balance in governmental funds for non-current investments not offset by unearned revenue or a liability.

	Dr.	Cr.
Nonspendable Investments (9123)	xxx	
Appropriate fund equity GL code (9XXX)		xxx

85.65.28 Accounting for deferred compensation (IRC Section 457)

June 1, 2011

In accordance with Statement No. 34 of the Governmental Accounting Standards Board, the state's deferred compensation plan is accounted for and reported as a pension trust fund. Acquisitions and sales of deferred compensation plan investments are to follow the entries in Subsections 85.65.18 and 85.65.24, respectively, except that no entry is to be made to GL 9123 "Nonspendable Investments."

85.65.30 Taxes receivable

May 1, 1999

To record long-term taxes receivable which are measurable but not due within twelve months. Refer to Subsection 85.54.15.c.

	Dr.	Cr.
Taxes Receivable (1611)	xxx	
Allowance for Uncollectible Taxes Receivable (1641)		xxx
Unavailable Revenues (5292)		xxx

85.65.32 Receivables

July 1, 2001

85.65.32.a To record a receivable at time of billing. Refer to Subsection 85.54.45.a.

	Dr.	Cr.
Accounts Receivable (1312)	xxx	
Accrued Revenues (3205) (appropriate revenue source codes)		xxx

85.65.32.b To value receivables and adjust the allowance for uncollectible accounts to reflect the amount estimated to be uncollectible at the end of the period in a **governmental fund type account**. Refer to Subsection 85.54.55.b.

	Dr.	Cr.
Accrued Revenues (3205) (with revenue source code originally credited)	xxx	
Allowance for Uncollectible Accounts Receivable (1342)		xxx

85.65.32.c To value receivables and adjust the allowance for uncollectible accounts to reflect the amount estimated to be uncollectible at the end of the period in a **proprietary or trust fund type account**. Refer to Subsection 85.54.55.b. Example assumes a reduction in collectability. If collectability appears improved, the entry would be reversed.

	Dr.	Cr.
Bad Debt Expense 6515 (Subobject WC)	xxx	
Allowance for Uncollectible Accounts Receivable (1342)		xxx

85.65.32.d To write off receivables determined to be uncollectible by the state. Refer to Subsection 85.54.55.c.

	Dr.	Cr.
Allowance for Uncollectible Accounts Receivable (1342)	xxx	
Accounts Receivable (1312)		xxx

85.65.33 Travel advances receivable

July 1, 2010

85.65.33.a To record the issuance of a travel advance. In this example, the amount advanced is $500. Refer to Subsection 85.54.44.

	Dr.	Cr.
Travel Advance (1383)	500	
Accounts Payable (5111)		500

Accounts Payable (5111)	500	
Cash in Bank (1110) or In-Process (71XX)		500

85.65.33.b To record travel expenditures when the travel advance issued is equal to the amount of travel costs.

	Dr.	Cr.
Cash Expenditure (6510) Object G	500	
Travel Advance (1383)		500

85.65.33.c To record travel expenditures when the travel advance issued is less than the amount of travel costs. In this example, travel costs are $700.

	Dr.	Cr.
Cash Expenditure (6510) Object G	500	
Travel Advance (1383)		500
Accrued Expenditure (6505) Object G	200	
Accounts Payable (5111)		200
Cash Expenditure (6510) Object G	200	
Accrued Expenditure (6505) Object G		200
Accounts Payable (5111)	200	
Cash in Bank (1110) or In-Process (71XX)		200

85.65.33.d To record travel expenditures when the travel advance issued is greater than the amount of the travel costs. In this example, travel costs are $400. The traveler must reimburse the agency for the excess advanced.

	Dr.	Cr.
Cash Expenditure (6510) Object G	400	
Travel Advance (1383)		400
Cash Receipts In-Process (7110)	100	
Travel Advance (1383)		100

85.65.34 Due from federal government

June 1, 2013

85.65.34.a To record amounts receivable for the reimbursement of federal expenditures. Refer to Subsection 85.54.20

	Dr.	Cr.
Due from Federal Government (1351)	xxx	
Accrued Revenues (3205) Revenue Source Code (03XX)		xxx

85.65.34.b To record the receipt of monies due from the federal government. Refer to Subsection 85.54.20.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110)		
Cash Revenues (3210) Revenue Source Code (03XX)		xxx
Accrued Revenues (3205) Revenue Source Code (03XX)	xxx	
Due from Federal Government (1351)		xxx

85.65.34.c To record federal receivables which are in dispute at the end of the accounting period in a governmental fund type account. Refer to Subsection 85.54.20.

	Dr.	Cr.
Accrued Revenues (3205) Revenue Source (03XX)	xxx	
Unearned Revenues (5190)		xxx

85.65.36 Long-term loans

June 1, 2011

The following entries illustrate disbursement and repayment for both budgeted and non-budgeted long-term loans. Since the loan in this illustration is made to a private entity, long-term GL Code 1614 "Loans Receivable" is used. However, this example may be applied to other types of long-term loans using other receivable general ledger codes, such as GL Code 1652 "Due from Other Governments." Refer to Subsection 85.54.40.

85.65.36.a.(1) **To record disbursement of a budgeted long-term loan** from a governmental fund type account. Budgeted loans present a unique situation where loan disbursements and repayments are expenditures and revenues for budgetary purposes, but not for GAAP financial accounting purposes.

Note: In AFRS, Subobject NR is reported as Fund Balance on the GAAP operating statement. On the Budget to Actual statement, however, it is reported as an expenditure.

	Dr.	Cr.
Loans Receivable (1614)	xxx	
In-Process (71XX)		xxx
Cash Expenditures/Expenses (6510) (Subobject NR)	xxx	
Nonspendable Receivables – Long-Term (9131)		xxx

85.65.36.a.(2) **To record repayment of the budgeted long-term loan**, shown in (a) above, after an interim process occurs reclassifying the expected payment from long-term to short-term. The amount recognized and recorded at fiscal year-end is based on the subsequent year's scheduled payments.

Note: In AFRS, Revenue Source Code 0866 "Loan Principal Repayment" is reported as Fund Balance on the GAAP operating statement. On the Budget to Actual statement, however, it is reported as revenue.

	Dr.	Cr.
Loans Receivable (1314) or	xxx	
Due from Other Governments (1352)		
Loans Receivable (1614) or		xxx
Due from Other Governments (1652)		
Nonspendable Receivables – Long-Term (9131)	xxx	
Accrued Revenue (3205) Revenue Source Code		xxx
(0866) Loan Principal Repayment		

Then repayment is recorded as received:

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Loans Receivable (1314) or		
Due from Other Governments (1352)		xxx

For loans whose payments are uncertain, the receivable is reclassified from long-term to short-term upon receipt of the loan payment.

	Dr.	Cr.
Loans Receivable (1314) or	xxx	
Due from Other Governments (1352)		
Loans Receivable (1614) or		xxx
Due from Other Governments (1652)		
Nonspendable Receivables – Long-Term (9131)	xxx	
Accrued Revenue (3205) Revenue Source Code		xxx
(0866) Loan Principal Repayment		

Then payment receipt is recorded:

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Loans Receivable (1314) or		xxx
Due from Other Governments (1352)		
Accrued Revenue (3205) Revenue Source Code (0866)	xxx	
Loan Principal Repayment		
Cash Revenue (3210) Revenue Source Code (0866)		xxx
Loan Principal Repayment		

85.65.36.b.(1) **To record disbursements of a long-term loan which are not budgeted**.

Note: The entry to adjust the nonspendable portion of fund balance for receivables is made in governmental fund type accounts only. This entry is not applicable in proprietary and trust fund type accounts.

	Dr.	Cr.
Loans Receivable (1614)	xxx	
In-Process (71XX) or		xxx
Cash in Bank (1110)		
Appropriate fund equity GL code (9XXX)	xxx	
Nonspendable Receivables – Long-Term (9131)		xxx

85.65.36.b.(2) **To record repayment of the non-budgeted long-term loan**, shown in (b) above, after an interim process occurs reclassifying receivables from long-term to short-term.

	Dr.	Cr.
Loans Receivable (1314) or	xxx	
Due from Other Governments (1352)		
Loans Receivable (1614) or		xxx
Due from Other Governments (1652)		
Nonspendable Receivables – Long-Term (9131)	xxx	
Appropriate fund equity GL code (9XXX)		xxx

Then the loan payment receipt is recorded:

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110)		
Loans Receivable (1314) or		xxx
Due from Other Governments (1352)		

85.65.38 Consumable inventories - periodic inventory method

June 1, 2011

85.65.38.a To record the acquisition of consumable inventories. Refer to Subsection 85.56.20.a.(1).

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object E	xxx	
Cash in Bank (1110) or		
In-Process (71XX)		xxx

85.65.38.b To record the use of consumable inventories during the year.

No entry is required.

85.65.38.c At year-end, to record an increase in consumable inventories during the year. Refer to Subsection 85.56.20.a.(3) and (4). These entries would be reversed to record a decrease in consumable inventories during the year.

Note: The second entry is to adjust the nonspendable portion of fund balance in governmental fund type accounts only.

	Dr.	Cr.
Consumable Inventories (1410)	xxx	
Cash Expenditures/Expenses (6510) Object E		xxx
Appropriate fund equity GL code (9XXX)	xxx	
Nonspendable Consumable Inventories (9120)		xxx

85.65.40 Consumable inventories - perpetual inventory method

May 1, 1999

85.65.40.a To record the acquisition of consumable inventories. Refer to Subsection 85.56.20.b.(1).

	Dr.	Cr.
Consumable Inventories (1410)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.65.40.b To record the use of consumable inventories during the year. Refer to Subsection 85.56.20.b.(2).

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object E	xxx	
Consumable Inventories (1410)		xxx

85.65.42 Merchandise inventories in proprietary fund type accounts - periodic inventory method

May 1, 1999

85.65.42.a To record the acquisition of merchandise inventories as an expense. Refer to Subsection 85.56.30.a.(1).

	Dr.	Cr.
Cost of Goods Sold (6516) Object F	xxx	
Cash in Bank (1110) or In-Process (71XX) or Payables (51XX)		xxx

85.65.42.b To record the sale of merchandise inventories when the merchandise inventory purchase is recorded as an expense. Refer to Subsection 85.56.30.a.(2).

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
In-Process (71XX) or		
Receivables (13XX)		
Cash Revenue (3210) or		xxx
Accrued Revenues (3205) Revenue Source Code		
(0450 or 0455) Sales		

85.65.42.c To record the adjustment for merchandise inventory when the physical count shows the inventory value greater than the amount in the general ledger control account GL Code 1420 "Merchandise Inventories." This entry is reversed when the physical count shows the inventory value less than the recorded amount. Refer to Subsections 85.56.30.a.(3) and b.(3).

	Dr.	Cr.
Merchandise Inventories (1420)	xxx	
Cost of Goods Sold (6516) Object F		xxx

85.65.44 Merchandise inventories in proprietary fund type accounts - perpetual inventory method

May 1, 1999

85.65.44.a To record the acquisition of merchandise inventories as an asset. Refer to Subsection 85.56.30.b.(1).

	Dr.	Cr.
Merchandise Inventories (1420)	xxx	
Cash in Bank (1110) or		xxx
In-Process (71XX) or		
Payables (51XX)		

85.65.44.b To record the sale of merchandise inventories when the merchandise inventory purchase is recorded as an asset. Refer to Subsection 85.56.30.b.(2).

The second entry is to adjust the merchandise inventory account and record the cost of goods sold:

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
In-Process (71XX) or		
Receivables (13XX)		
Cash Revenue (3210) or		xxx
Accrued Revenues (3205) Revenue Source Code		
(0450 or 0455) Sales		
Cost of Goods Sold (6516) Object F	xxx	
Merchandise Inventories (1420)		xxx

85.65.46 Donations of consumable inventories

January 1, 2014

A common example of donated consumable inventory is federal surplus food commodities provided to the state for use in a variety of programs. This example assumes that commodities with a fair value of $5,000 are donated to the state for use in a governmental fund type account. The state pays $500 shipping costs for delivery of the commodities.

85.65.46.a To record the acquisition of federally donated consumable inventories. Refer to Subsection 85.56.40.b.

	Dr.	Cr.
Consumable Inventories (1410)	500	
Donated Inventories (1415)	5,000	
Cash in Bank (1110) or In-Process (71XX)		500
Unearned Revenues (5190)		5,000

85.65.46.b To record the use of donated consumable inventories with a fair value of $4,000. Use of donated consumable inventories is treated as a nonbudgeted activity. The cash outlay for shipping costs is a budgeted expenditure. Refer to Subsection 85.56.40.b.

	Dr.	Cr.
Expense Adjustments/Eliminations (GAAP) (6525)	4,000	
Object E	400	
Cash Expenditures/Expenses (6510) Object E		
Consumable Inventories (1410)		400
Revenue Adjustments/Eliminations (GAAP) (3225)		
Revenue Source Code (0310) Dept. of Agriculture		4,000

85.65.46.c To record year-end adjustment. Refer to Subsection 85.56.40.b.

Note: The second entry (for the shipping costs) is required in governmental fund type accounts only.

	Dr.	Cr.
Unearned Revenues (5190)	4,000	
Donated Inventories (1415)		4,000
Appropriate fund equity GL code (9XXX)	100	
Nonspendable Consumable Inventories (9120)		100

85.65.50 Prepaid expenses

May 1, 1999

85.65.50.a To record the prepayment of goods and services, other than inventory, in proprietary and trust fund type accounts. Refer to Subsection 85.58.10.c.

	Dr.	Cr.
Prepaid Expenses (1510)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.65.50.b To record the portion of prepaid goods and services used during the period. Refer to Subsection 85.58.10.c.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (with appropriate subobject)	xxx	
Prepaid Expenses (1510)		xxx

85.65.52 Acquisition of capital assets

July 1, 2015

85.65.52.a **Governmental Fund Type Accounts**

The entry for the purchase of a capital asset records the expenditure in the account acquiring the asset with a corresponding entry in Account 997 "General Capital Assets Subsidiary Account." Refer to Subsection 85.60.30.a.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Investment in General Capital Assets (9850)		xxx

The following entry records the donation of a capital asset to a governmental fund type account. Because governmental fund type accounts focus on current financial resources, no entry is made in the operating account. However, an entry is made in Account 997 "General Capital Assets Subsidiary Account" to record the estimated acquisition value of the asset. Refer to Subsection 85.60.30.a.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Investment in General Capital Assets (9850)		xxx

85.65.52.b **Proprietary and Trust Fund Type Accounts**

The entry to record the purchase of a capital asset is made in the appropriate capital asset GL code in the account acquiring the asset. Refer to Subsection 85.60.30.b.

Operating Account:

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

The following additional entry is required for budgeted proprietary and trust fund type accounts for capital asset acquisitions.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Object J		xxx

The following entry records the donation of a capital asset to a proprietary or trust fund type account.

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Noncash Revenues (3220) Revenue Source Code 0820 Capital Contributions or other appropriate revenue source code		xxx

85.65.54 Assets that do not meet the state's capitalization policy

July 1, 2009

The entry for the acquisition of an asset that does not meet the state's capitalization policy records the expenditure/expense in the account acquiring the asset. Refer to Subsection 85.60.30.d.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject JA or JB	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.65.56 Depreciation/amortization

July 1, 2009

85.65.56.a **Governmental Fund Type Accounts**

The following entry records the depreciation on general capital assets in Account 997 "General Capital Assets Subsidiary Account." Refer to Subsection 85.60.40.a.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Depreciation/Amortization Expense (6591) (Subobject WA)	xxx	
Allowance for Depreciation – Capital Asset (2XXX) or		xxx
Allowance for Amortization – Intangible Assets (2480)		xxx

85.65.56.b **Proprietary and Trust Fund Type Accounts**

The following entry records the depreciation of capital assets in proprietary and trust fund type accounts. Refer to Subsection 85.60.40.b.

	Dr.	Cr.
Depreciation/Amortization Expense (6511) (Subobject WA)	xxx	
Allowance for Depreciation – Capital Asset (2XXX) or		xxx
Allowance for Amortization – Intangible Assets (2480)		xxx

85.65.58 Disposal of capital assets

July 1, 2012

85.65.58.a **Governmental Fund Type Accounts**

The net proceeds received from the sale of general capital assets are generally recorded in the account that originally acquired the asset. Refer to Subsection 85.60.50.a. If the estimated net proceeds from disposition were included in the budget for the acquisition of the replacement capital assets and the expenditure for the acquisition of new capital assets has already been recorded at gross, the following entry is made:

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
In-Process (71XX)		
Cash Expenditures/Expenses (6510) Object J		xxx

If the net proceeds from disposition were not included in the budget for a replacement capital asset, the following entry is to be made instead:

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
In-Process (71XX)		
Cash Revenues (3210) Revenue Source Code (0416) Sale of Property - Other		xxx

In addition, an entry in Account 997 “General Capital Assets Subsidiary Account” is made to record the removal of the capital asset. In this example, the capital asset was not fully depreciated (i.e. the cost is greater than the accumulated depreciation). If the capital asset was fully depreciated (i.e. the cost and the accumulated depreciation are an equal amount), then in GL Code 6597 "Capital Asset Adjustment (General Capital Assets Subsidiary Only)" would net to zero.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Asset Adjustment (General Capital Assets Subsidiary Account Only) (6597) Subobject WF	xxx	
Allowance for Depreciation – Capital Assets (2XXX)	xxx	
Capital Assets (2XXX)		xxx

85.65.58.b **Proprietary and Trust Fund Type Accounts**

The disposal of capital assets of proprietary and trust fund type accounts are accounted for in the account that recorded the asset. Refer to Subsection 85.60.50.b.

	Dr.	Cr.
Cash in Bank (1110) or		
In-Process (71XX)	xxx	
Allowance for Depreciation – Capital Assets (2XXX)	xxx	
Capital Assets (2XXX)		xxx
Gain and Loss on Sale of Capital Assets (3213) Revenue Source Code (0418) Gain or Loss on Sale of Capital Assets		xxx

The following additional entry is needed to record the net proceeds received upon disposition of a capital asset in budgeted proprietary and trust fund type accounts.

If the net proceeds from disposition were included in the budget for the acquisition of the replacement capital asset and the purchase for the new capital assets has already been recorded at gross, the following entry is made:

	Dr.	Cr.
Expense Adjustments/Eliminations (GAAP) (6525) Object J	xxx	
Cash Expenditures/Expenses (6510) Object J		xxx

If the net proceeds from disposition were included in the budget as estimated revenues, the following entry is made:

	Dr.	Cr.
Revenue Adjustments/Eliminations (GAAP) (3225) Revenue Source Code (0416) Sale of Property - Other	xxx	
Cash Revenues (3210) Revenue Source Code (0416) Sale of Property - Other		xxx

85.65.60 Trade-in of capital assets

July 1, 2008

These illustrative entries assume the following: a vehicle is purchased for $12,000 cash. (It has a fair value of $14,000 less a trade-in allowance of $2,000.) The trade-in vehicle originally cost $9,000 and has a current book value of $1,500.

85.65.60.a **Governmental Fund Type Accounts**

These entries reflect the trade-in transaction in the operating account acquiring the vehicle and the corresponding entries in Account 997 "General Capital Assets Subsidiary Account." Refer to Subsection 85.60.50.a.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject J)	12,000	
Cash in Bank (1110) or In-Process (71XX)		12,000

General Capital Assets Subsidiary Account (Account 997):

The first entry removes the vehicle traded in. The second entry records the new vehicle.

	Dr.	Cr.
Investment in General Capital Assets (9850)	1,500	
Accumulated Depreciation – Furnishings and Equipment (2420)	7,500	
Furnishings and Equipment (2410)		9,000
Furnishings and Equipment (2410)	13,500	
Investment in General Capital Assets (9850)		13,500

85.65.60.b **Proprietary and Trust Fund Type Accounts**

This entry reflects a trade-in transaction in non-budgeted proprietary and trust fund type accounts. Refer to Subsection 85.60.50.c.

	Dr.	Cr.
Furnishings and Equipment (2410)	13,500	
Accumulated Depreciation – Furnishings and Equipment (2420)	7,500	
Furnishings and Equipment (2410)		9,000
Cash in Bank (1110) or		12,000
In-Process (71XX)		

85.65.62 Capital assets acquired through capital lease

June 1, 2004

85.65.62.a **Governmental Fund Type Accounts**

The entry for the acquisition of capitalized leased assets records the expenditure in the account acquiring the leased assets with a corresponding entry in Account 997 "General Capital Assets Subsidiary Account." Refer to Subsection 85.60.70.a.

Operating Account:

	Dr.	Cr.
Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation (6514) Object J (Capital Outlays)	xxx	
Other Financing Sources (3221) Revenue Source Code (0809) Capital Lease Acquisitions		xxx

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Investment in General Capital Assets (9850)		xxx

The entry to record lease payments, for acquisitions that do not meet the capital lease requirements in Subsection 30.20.30, is shown below. For such acquisitions, no entry is made in Account 997 "General Capital Assets Subsidiary Account" until title transfers to the state and the fair value of the asset meets the state's capitalization policy.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject ED or other subobject as appropriate)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

To record subsequent acquisition of non-capitalized leased assets in Account 997 "General Capital Assets Subsidiary Account" upon transfer of the title. The asset is recorded at the fair value at the time title transfers.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Investment in General Capital Assets (9850)		xxx

85.65.62.b **Proprietary and Trust Fund Type Accounts**

To record capitalized leased equipment acquired by proprietary and trust fund type accounts in the account acquiring the leased assets. Refer to Subsection 85.60.70.b.

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Lease Purchase Agreements Payable (5172)		xxx
Lease Purchase Agreements Payable (5272)		xxx

The entry to record lease payments, for acquisitions that do not meet the capital lease requirements in Subsection 30.20.30, is as follows:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (Subobject ED or other subobject as appropriate)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

To record the fair value of the subsequent acquisition of non-capitalized leased assets upon transfer of title.

	Dr.	Cr.
Furnishings and Equipment (2410)	xxx	
Cash Revenues (3210) Revenue Source Code (0486) Recoveries of Prior Appropriation Expenditures		xxx

85.65.64 Accounting for the construction of capital assets

July 1, 2009

85.65.64.a **Governmental Fund Type Accounts**

Costs incurred for the construction of capital assets are to be recorded in the account incurring the expenditure. Refer to Subsection 85.60.90.b.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J or other subobject as appropriate	xxx	
Cash in Bank (1110) or In-Process (71XX) or Construction Contracts Payable (5117)		xxx

Construction projects not completed at the end of the accounting period require an entry in Account 997 “General Capital Assets Subsidiary Account.”

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Construction In Progress (2510)	xxx	
Investment in General Capital Assets (9850)		xxx

Upon completion of the project, the construction in progress is reclassified to the appropriate capital asset GL code(s) in Account 997 “General Capital Assets Subsidiary Account.”

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Assets (2XXX)	xxx	
Construction In Progress (2510)		xxx

85.65.64.b **Proprietary and Trust Fund Type Accounts**

In proprietary and trust fund type accounts, costs incurred for the construction of capital assets are to be recorded in the account incurring the expense. Refer to Subsection 85.60.90.c.

	Dr.	Cr.
Construction In Progress (2510)	xxx	
Cash in Bank (1110) or In-Process (71XX) or Construction Contracts Payable (5117)		xxx

The following additional entry is required for budgeted proprietary or trust fund type accounts where construction costs are appropriated.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Object J		xxx

Upon completion of the construction project, the construction in progress is reclassified to the appropriate capital asset GL code(s) for the total costs capitalized to date.

	Dr.	Cr.
Capital Assets (2XXX)	xxx	
Construction In Progress (2510)		xxx

85.65.66 Interagency/Interfund Capital Asset Transfers

January 1, 2014

85.65.66.a The following entries illustrate how to record the transfer of a capital asset based on the fund type of the accounts involved in the transfer. Refer to Subsection 85.60.97.b and c.

85.65.66.b **Transfer capital asset from Governmental Fund Type Account to a Proprietary or Trust Fund Type Account**

The following entry records the transfer of a capital asset from a governmental fund type account. Because governmental fund type accounts focus on current financial resources, no entry is made in the operating account. However, an entry in Account 997 "General Capital Assets Subsidiary Account" is made to record the removal of the capital asset. In this example, the capital asset was not fully depreciated (i.e. the cost is greater than the accumulated depreciation). If the capital asset was fully depreciated (i.e. the cost and the accumulated depreciation are an equal amount), the entries to GL Code 6597 "Capital Asset Adjustment (General Capital Assets Subsidiary Only)" would net to zero, and there would be no capital contribution recorded in the proprietary fund type account.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Asset Adjustment (General Capital Assets Subsidiary Account Only) (6597) Subobject WF	xxx	
Allowance for Depreciation – Capital Assets (2XXX)	xxx	
Capital Asset (2XXX)		xxx

Proprietary or Trust Fund Type Account:

	Dr.	Cr.
Capital Asset (2XXX)	xxx	
Allowance for Depreciation – Capital Assets (2XXX)		xxx
Noncash Revenues (3220) Revenue Source Code 0820 Capital Contributions		xxx

Note: If a cash payment is made in conjunction with the transfer of the capital asset, it is receipted into the governmental operating account that initially purchased the capital asset using GL Code 3210 "Cash Revenues" with Revenue Source Code 0416 " Sale of Property – Other."

85.65.66.c **Transfer capital asset from Proprietary or Trust Fund Type Account to a Governmental Fund Type Account**

The following entry records the transfer of a capital asset to a governmental fund type account. Because governmental fund type accounts focus on current financial resources, no entry is made in the operating account. However, an entry in Account 997 "General Capital Assets Subsidiary Account" is made to record the addition of the capital asset. In this example, the capital asset was not fully depreciated (i.e. the cost is greater than the accumulated depreciation). If the capital asset was fully depreciated (i.e. the cost and the accumulated depreciation are an equal amount), the entries to GL Code 9850 "Investment in General Capital Assets" would net to zero, and there would be no gain or loss on the sale of the capital asset recorded in the proprietary or trust fund type account.

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Capital Assets (2XXX)	xxx	
Allowance for Depreciation – Capital Assets (2XXX)		xxx
Investment in General Capital Assets (9850)		xxx

Proprietary or Trust Fund Type Account:

	Dr.	Cr.
Allowance for Depreciation – Capital Assets (2XXX)	xxx	
Gain and Loss on Sale of Capital Assets (3213) Revenue Source Code (0418) Gain or Loss on Sale of Capital Assets	xxx	
Capital Asset (2XXX)		xxx

Note: If a cash payment is made in conjunction with the transfer of the capital asset, it is paid by the governmental operating account associated with the activity that will be using the capital asset using GL Code 6510 "Cash Expenditures" with the appropriate J subobject and by the proprietary or trust fund type account using GL Code 3213 "Gains and Losses on Sales of Capital Assets" with Revenue Source Code 0418 "Gain or Loss On Sale of Capital Assets."

85.70
Short-Term Liabilities

85.70.10 About short-term liabilities
May 1, 1999

Short-term liabilities are legal obligations which arise upon the receipt of goods or services. In governmental fund type accounts, short-term liabilities are payable from current, available resources. In proprietary fund type accounts, short-term liabilities are obligations payable within one year. Short-term liabilities are accounted for in the GL Code Series 51XX. Refer to Subsection 75.40.20 of this manual for a description of the various short-term liability general ledger codes.

85.70.20 Establishing short-term liabilities
July 1, 2009

85.70.20.a The accrual method is used in accounting for the expenditures or expenses of all accounts.

85.70.20.b Agencies establish liabilities at the end of each accounting period for the following items by account, appropriation, program, object, and sub-object:

- **Utilities** - Actual based on vendor invoices, or estimate based on past experience.
- **Rentals** - Actual based on lease agreements.
- **Travel Expenses** - Actual based on travel vouchers, or estimate based on past experience or prior approval of travel.
- **Payroll Taxes** - Actual based on actual payrolls, or estimate based upon prior pay period.
- **Salaries and Wages** - Actual based on time records, or estimate based upon prior pay period. When accruing salaries and wages, agencies are to also accrue the associated number of Full-Time Equivalent (FTE) staff months.
- All other obligations that have been incurred but not paid, and that are due and payable with current available resources, generally within one year.

85.70.20.c A Journal Voucher (A7-A) or other authorized source document is to be prepared to record liabilities. Refer to Subsection 85.85.15 for an illustrative entry.

85.70.20.d Liabilities are to be recorded based on the best available information. If the amount of the accrual is known (i.e., the invoice has been received or the amount is otherwise known), the entry is to be made to GL Code 6505 "Accrued Expenditures/Expenses." With prior written approval from the OFM Statewide Accounting (refer to SAAM 1.10.50), non-AFRS warrant producing agencies can use alternate coding for recording Expenditures/Expenses.

At the end of the expenditure authority period, if the amount is not known, but can be reasonably estimated following the procedures for determining accounting estimates at Subsection 90.20.55, the entry is to be made to GL Code 6560 "Estimated Accrued Expenditures/Expenses." Refer to Subsection 90.30.50.b and d for illustrative entries.

The payment of liabilities is to be recorded separately from the accrual (or establishment) of liabilities to allow for proper financial reporting, as required by GASB Statement 34.

85.70.20.e Each accrual transaction is to be supported by complete documentation. The use of "dummy" or projected accruals as a method to avoid transfers to reserve or circumvent the allotment process is an improper application of accrual accounting and is not to be practiced.

85.70.30 Accounts payable

May 1, 1999

Amounts owed on open account for the purchase of goods or services are recorded in GL Code 5111 "Accounts Payable." The recording of an account payable represents an acknowledgment on the part of the agency that the goods or services have been received and that an actual liability which must be liquidated at a future date exists. Amounts due to other accounts, other agencies or other governments are not reported in this GL code. Such amounts are reported separately in the GL Code 515X Series.

85.70.40 Unavailable revenues

June 1, 2015

Governmental funds use the modified accrual basis of accounting which recognizes revenues in the period in which they become measurable and available. Generally, revenues are deemed available if they will be collected either within the current period or soon enough after the end of the period to pay current year liabilities. In Washington, accrued revenues are generally deemed available if collectible within 12 months.

Therefore, accrued revenues deemed unavailable typically are collectible beyond one year and should be offset by GL Code 5292. Examples include long term receivables and contracts for the harvest of timber that extend beyond 12 months.

GL Code 5192 should be used only in limited instances where the revenue associated with a receivable does not meet the revenue recognition criteria and will be collected within one year. An example where GL Code 5192 is properly used is to offset property taxes receivable that are expected to be collected after 60 days following year end but within one year.

Refer to Subsection 85.85.24 for an illustrative entry.

85.70.45 Unearned revenues

June 1, 2015

Under both the modified accrual and accrual basis of accounting, revenue may only be recognized when earned. If the asset recognition criteria is met before the earnings process is complete, the asset must be offset by a corresponding liability for unearned revenue (GL Codes 5190 and 5290).

Examples of revenues not yet earned include:

- Advance payments,
- Prepayments made pursuant to agreements,
- Insurance premiums billed in advance,
- Prepaid tuition and fees (summer school), and
- Prepaid tolls.

Refer to Subsection 85.85.25 for an illustrative entry.

85.70.50 Short-term portion of long-term obligations

June 1, 2004

Amounts due within the next year on long-term obligations are classified as short-term liabilities. Refer to Subsection 85.85.22 for an illustrative entry.

85.72
Long-Term Obligations

85.72.10 About long-term obligations
June 1, 2013

Depending on the nature of the obligation, long-term obligations of the state are accounted for in one of two ways. Long-term obligations related to, and expected to be paid from, proprietary and trust fund type accounts are accounted for in those accounts (fund long-term obligations). All other long-term obligations (general long-term obligations) are accounted for in the General Long-term Obligations Subsidiary Account (Account 999). Subsection 75.40.20 of this manual describes the various long-term obligation general ledger codes.

85.72.10.a **Fund Long-Term Obligations -** Fund long-term obligations are directly related to and payable from **proprietary and trust fund type accounts**. They generally are not expected to be paid in the next year.

Enterprise fund long-term obligations are reported in the proprietary fund statement of net position as well as in the business-type activities column of the government-wide statement of net position.

Internal service fund long-term obligations are reported in the internal service funds column in the proprietary fund statement of net position as well as in the governmental activities column in the government-wide statement of net position.

Trust fund long-term obligations are reported in the statement of fiduciary net position.

85.72.10.b **General Long-Term Obligations -** All long-term indebtedness of the state which is not classified as a fund obligation should be accounted for as a general long-term obligation. General long-term obligations are liabilities that will not be paid by expending available resources as of the end of the current fiscal year.

General long-term obligations are not reported in governmental funds, but are reported in the governmental activities column in the government-wide statement of net position.

85.72.15 State Finance Committee approval

July 1, 2008

The State Finance Committee (established under chapter 43.33 RCW) is composed of the Governor, Lieutenant Governor and State Treasurer, the latter being designated by law as chairman. The Office of the State Treasurer provides administrative support to the State Finance Committee.

Bonds. By law, the State Finance Committee is delegated authority to supervise and control the issuance of all state bonds. Bonds are authorized by the legislature for the purpose of providing funds to finance the projects described and authorized by the legislature in the capital, transportation, and/or operating appropriations bills. By statutory provisions, certain higher education institutions have authority to issue revenue bonds.

Financing Contracts. RCW 39.94.010 requires that all financing contracts of the state for the acquisition of real and personal property, which provide for payments over a term of more than one year, be subject to approval by the State Finance Committee.

RCW 28B.10.022 requires that similar financing contracts of the regional universities, the Evergreen State college and the state board for community and technical colleges, as well as some of the financing contracts of state colleges, be subject to approval by the State Finance Committee. RCW 28B.10.022 also allows the board of regents of a state university to enter into certain financing contracts on their own.

However, except for financing contracts for research facilities or equipment described under chapter 28B.140 RCW, the board of regents must notify the State Finance Committee at least sixty days prior to entering into such contracts.

85.72.20 Bonds payable

June 1, 2013

85.72.20.a Amounts owed from the issuance of long-term debt under a formal legal procedure and secured either by the pledge of specific revenues or by the full faith and credit of the state are recorded as Bonds Payable. Bond issues for the state of Washington include:

- **General Obligation Bonds -** Statewide bond issues that are secured by an unconditional pledge of the full faith and credit and taxing power of the state.

- **Zero-Coupon General Obligation Bonds** – These bonds are also secured by an unconditional pledge of the full faith and credit and taxing power of the state. They are sold at a deep discount without coupons and accrete to full value at maturity.

- **Revenue Bonds** – These bond issues do not involve a pledge of the full faith and credit of the state. The University of Washington issues general revenue bonds that are payable from general revenues, including student tuition and fees, grant indirect cost recovery, sales and services revenue, and investment income. Other revenue bonds, including those issued by other colleges and universities, are payable from identified sources of revenue which are generally derived from the assets acquired or constructed with the bond proceeds.

- **Refunding Bonds** – When advantageous and permitted by statute and bond covenants, the State Finance Committee can authorize current or advance refundings of outstanding general obligation bonds. Refunding bonds are issued to retire bonds already outstanding. Colleges and universities may also issue refunding bonds to refund their outstanding revenue bonds.

85.72.20.b When issued, the bonds discussed above specify principal repayments as:

- **Term Bonds** – Bonds for which the entire principal matures on one date.

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

85.72.20.c **Bond Accounting** – Bonds are accounted for in one of two ways depending on whether they are classified as fund obligations or general long-term obligations.

- **Fund Bond Debt** – Bond obligations related to and intended to be paid from proprietary and trust fund type accounts are recorded in such accounts. Refer to Subsection 85.85.30 of this manual for illustrative entries for issuance and servicing of fund bond debt. If deemed material, original issue discounts (OID) and original issue premiums (OIP) are recorded using GL Codes 1910 "Unamortized Discount on Bonds Sold," and 5910 "Unamortized Premiums on Bonds Sold" respectively and amortized over the life of the bonds using GL Code 6512 "Amortization Expense" Subobject WB "Amortization." Issuance costs, including underwriters' discounts, are recorded as expenses using GL Code 6510 "Cash Expenditures/Expenses" and appropriate object codes such as C or E

or Subobject PC "Other Debt Costs." If the OIP or OID is deemed immaterial, they should be recorded in the same manner as the other issuance costs.

- **General Bond Debt** - When bonds are issued that are not fund obligations, the liability for the par amount of the bonds issued is recorded in Account 999 "General Long-Term Obligations Subsidiary Account." In addition, the account receiving the proceeds records the par amount of the bonds using Revenue Source Code 0860 "Bonds Issued" or 0864 "Taxable Bonds Issued." Original issue premiums and discounts are recorded to Revenue Source Code 0863 "Original Issue Premium - Bonds" or 0862 "Original Issue Discount - Bonds." Issuance costs, including underwriters' discounts, are recorded as expenditures using appropriate object codes such as C or E or Subobject PC "Other Debt Costs." The debt service activity, which includes redeeming the bonds and making interest payments, is recorded in a debt service fund type account. Refer to Subsection 85.85.35 of this manual for illustrative entries for issuance and servicing of general bonded debt.

85.72.20.d **Refunding Bonds** - When advantageous and permitted by statute or bond covenants, the state refunds outstanding bonds. Refunding occurs when new debt is issued to provide resources to satisfy the debt service requirements of an outstanding bond issue.

An economic gain or loss arises because of a refunding. The economic gain or loss is computed by determining the difference between the present value of cash flow requirements of the refunded debt and the present value of cash flow requirements of the refunding debt. The economic gain or loss is disclosed in the notes to the financial statements in the state's Comprehensive Annual Financial Report (CAFR).

There are two types of refunding:

- **Current Refunding** - To qualify as a current refunding, the refunded debt must all mature or be redeemed within 90 days from the date of issuance of the refunding debt.

- **Advance Refunding** - In an advance refunding, the net proceeds of the refunding issue are used to purchase U.S. Government securities, which 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. The refunded bonds are considered to be defeased. Neither the liability for the refunded bonds nor the securities held in the irrevocable trusts are reflected in the state's financial accounting records.

In **governmental funds**, bonded debt is refunded using a debt service fund type account but the accounting varies depending on whether it is a current refunding or an advance refunding.

In a current bond refunding, the refunding (new bond) proceeds are recorded with Revenue Source Code 0859 "Proceeds of Refunding Bonds". The payment to the escrow agent is recorded as an expenditure, subobject PA "Principal" and/or PB "Interest." Original issue premiums are recorded to Revenue Source Code 0858 "Original Issue Premium– Refunding Bonds." Original issue discounts are recorded to Revenue Source Code 0856 "Original Issue Discount – Refunding Bonds." Issuance costs, including underwriter's discount, are recorded to Revenue Source Code 0857 "Underwriters Discount/Costs of Issuance – Refunding Bonds."

In an advance refunding, the refunding (new bond) proceeds are recorded with Revenue Source Code 0859 "Proceeds of Refunding Bonds." The payment to the escrow agent is recorded with Revenue Source Code 0855 "Payments to Refunded Bond Escrow Agents." Original issue premiums are recorded to Revenue Source Code 0858 "Original Issue Premium– Refunding Bonds." Original issue discounts are recorded to Revenue Source Code 0856 "Original Issue Discount – Refunding Bonds." Issuance costs, including underwriter's discount, are recorded to Revenue Source Code 0857 "Underwriters Discount/Costs of Issuance – Refunding Bonds."

The refunded debt (old bond) is removed from and the refunding debt (new bond) is recorded in Account 999 "General Long-Term Obligations Subsidiary Account."

In a **proprietary or trust fund type account**, when bonded debt is refunded (either a current or advance refunding), the refunded debt (old bond) is removed from, and the refunding debt (new bond) is recorded in, the applicable account. If material, the difference between (1) the book value of the refunded (old) debt and (2) the amount required to retire the debt is deferred. The deferred amount is recorded in GL Code 5268 "Deferred Inflow on Bond Refundings" (credit amount) or GL 1972 "Deferred Outflow on Bond Refunding" (debit amount). The deferred amount is amortized as an adjustment to interest expense over the remaining life of the refunded bonds or the life of the refunding bonds, whichever is shorter.

The book value of the refunded debt includes its maturity value, and any related unamortized premium or discount (GL Codes 5910 "Unamortized Premiums on Bonds Sold," and 1910 "Unamortized Discounts on Bonds Sold").

85.72.30 Lease-purchase agreements payable

July 1, 2014

85.72.30.a A lease may be classified as an **operating lease** or a **capital lease**.

An **operating lease** is defined as a rental of an asset with a term of more than one year where the payments are chargeable as rental or lease expenditures. Most operating leases contain clauses indicating that continuation of the lease is subject to funding by the Legislature. Historically, these leases have been renewed in the normal course of business. Therefore, they are treated as noncancelable for financial reporting purposes.

A **capital lease** is a lease that transfers substantially all the benefits and risks inherent in the ownership of the property to the state.

A capital lease must meet one or more of the following criteria:

- By the end of the lease term, ownership of the leased property is transferred to the state.
- The lease contains a bargain purchase option.
- The lease term is equal to 75 percent or more of the estimated useful life of the leased property. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease.
- The lease qualifies as a capital lease if, at the inception of the lease, the present value of the minimum lease payments, excluding executory costs (usually insurance, maintenance, and taxes paid in connection with the leased property, including any profit thereof) is 90 percent or more of the fair value of the leased property. However, if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property, including earlier years of use, this criterion should not be used for purposes of classifying the lease.

State lease agreements typically contain a fiscal funding clause, or cancellation clause, which permits the state to terminate the agreement on a biennial basis if funds are not appropriated to continue the next biennium's lease payments. Generally, the likelihood of cancellation is remote.

Leases which contain a cancellation clause must be evaluated to determine if the possibility of cancellation is remote, and if so, and if they also meet

at least one of the criteria of a capital lease, then the leases should be classified as capital leases.

Refer also to Subsections 30.20.40 and 85.72.40.

85.72.30.b **Lease Accounting**

1. **Operating Lease** - Accounting for an operating lease consists of recording rental payments as a normal operating expenditure/expense to Subobject ED "Rentals and Leases - Land and Buildings" or Subobject EH "Rentals and Leases - Furnishings and Equipment" on a periodic basis.

2. **Capital Lease** - Accounting for a capital lease consists of:

   - Recording the capital lease at its inception,
   - Updating the capital asset inventory system,
   - Separating periodic payments into principal and interest portions, and
   - Applying payments to the correct object of expenditure.

When a capital lease represents the acquisition or construction of a general capital asset, the acquisition or construction of the general capital asset is recorded as an expenditure in GL Code 6514 "Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation" and the lease proceeds are recorded in GL Code 3221 "Other Financing Sources," Revenue Source Code 0809 "Capital Lease Acquisitions," consistent with the provisions of NCGA Statement 5. In addition, the capital asset acquired should be recorded in Account 997 "General Capital Assets Subsidiary Account" and the lease obligation should be recorded in Account 999 "General Long-Term Obligations Subsidiary Account." Refer to Subsections 85.60.70 and 30.20.30 for further information on capital leases.

Periodic lease payments represent debt service expenditures in governmental fund type accounts. Subobject PA is charged for the annual amount paid that is applicable to the principal portion of the lease liability and Subobject PB is charged for the interest portion of the payment. The lease liability recorded in the General Long-Term Obligations Subsidiary Account (Account 999) is reduced by the amount of principal payments. Agencies should review the balance in GL 5272 at the end of each fiscal year and reclassify to short-term (GL 5172 "Lease-Purchase Agreements Payable") that portion of the lease liability that is due to be paid in the next year.

Periodic payments represent a combination of debt service and a reduction of a liability in proprietary and trust fund type accounts. If the capital lease liability was recorded in GL 5172/5272, then GL Code 5172 is debited for

the amount paid that is applicable to the principal portion of the lease-purchase liability and Subobject PB is debited for the interest portion of the payment.

Normally the monthly billing will separate the interest portion from principal, but if not separately stated, interest must be computed by the agency using the current market interest rate the lessee would be charged at the inception of the lease to borrow the funds necessary to purchase the asset.

Payment is normally made from an operating account unless specific requirements dictate use of a debt service fund type account. Refer to Subsection 85.85.40 for illustrative entries.

85.72.40 Certificates of Participation (COP)

June 1, 2013

85.72.40.a In order to increase the efficiency and cost effectiveness of lease-purchase activity, the State established a master lease/purchase program administered through the Office of the State Treasurer (OST). This program uses Certificates of Participation (COP) as a financing mechanism. Contact the Office of State Treasurer for further information on the COP program. Refer to Subsections 85.60.80, 85.85.45 and 85.85.50 for information on COP accounting.

There are two types of COPs as follows:

- **Equipment Acquisition Program** - Under this program, a capital asset (equipment) is generally acquired with a single transaction.
- **Real Estate Program** - Under this program, an asset (real estate) is purchased, constructed or renovated. The purchase, construction, or renovation activity may take place over a period of time and may involve multiple transactions. If the purchase/construction/renovation period is lengthy and debt service on the COP is required during the construction/renovation phase, interest may be capitalized in enterprise and trust funds.

85.72.40.b Generally, COPs are payable from annual appropriations by the Legislature. If the possibility that the Legislature will fail to appropriate repayment is deemed remote, then a liability for the COP is recorded.

85.72.40.c When governmental fund type accounts purchase equipment or real estate through COPs, the transaction is not an expenditure authority charge. It is the payment of the COP principal that is charged against expenditure authority.

85.72.40.d When COP financed capital assets are acquired in governmental fund type accounts, the acquisition or construction is recorded as an expenditure using GL Code 6514 “Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation” and the proceeds are recorded in the acquiring account using GL Code 3221 “Other Financing Sources” Revenue Source Code 0807 “Certificates of Participation.” The COP liability is recorded in Account 999 “General Long-Term Obligations Subsidiary Account” and the capital assets acquired in Account 997 “General Capital Assets Subsidiary Account.”

For real estate acquisition/construction/renovation projects financed through COPs (excluding higher education), the COP proceeds are deposited into and expended out of a construction account.

For acquisition of equipment or real estate through COPs in proprietary and trust fund type accounts, the COP liability and the corresponding asset are recorded in the acquiring account.

All assets acquired with COPs are capitalized. Refer to Subsection 30.20.20.

OST accounts for COP sale and repayment activity in Account 739 “Certificate of Participation and Other Financing Account - State.”

Refer to Subsection 85.85.45 and 85.85.50 for illustrative entries.

85.72.40.e Typically, COPs have semi-annual debt service payments. In governmental fund type accounts, Subobject PD is charged for the amount paid that is applicable to the principal and Subobject PE is charged for the interest portion of the payment. In proprietary and trust fund type accounts, GL Code 5173 “Certificates of Participation Payable” is charged for the amount paid that is applicable to the principal portion of the COPs and Subobject PE is to be charged for the interest portion of the payment.

Budgeted proprietary fund type accounts require an additional entry to record an expenditure authority charge for the portion of the payment applicable to the principal. This additional entry involves a debit to GL Code 6510 “Cash Expenditures/Expense” Subobject PD “Principal COP Lease-Purchase Agreements,” and a credit to GL Code 6525 “Expense Adjustments/ Eliminations (GAAP)” Subobject PD.

Refer to Subsections 85.85.45 and 85.85.50 for illustrative entries.

85.72.40.f **Refunding COPs** - When advantageous and permitted by statute or COP covenants, the state refunds outstanding COPs. Refunding occurs when new COPs are issued to provide resources to satisfy the debt service requirements of an outstanding COP issue.

An economic gain or loss arises because of a refunding. The economic gain or loss is computed by determining the difference between the present value of cash flow requirements of the refunded debt and the present value of cash flow requirements of the refunding debt. The economic gain or loss is disclosed in the notes to the financial statements in the state's Comprehensive Annual Financial Report (CAFR).

There are two types of refunding:

- **Current Refunding -** To qualify as a current refunding, the refunded debt must all mature or be redeemed within 90 days from the date of issuance of the refunding debt.

- **Advance Refunding -** In an advance refunding, the net proceeds of the refunding issue are used to purchase U.S. Government securities, which are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded COPs until the COPs are called or mature. The refunded COPs are considered to be defeased. Neither the liability for the refunded COPs nor the securities held in the irrevocable trusts are reflected in the state's financial accounting records.

In **governmental funds**, COP debt is refunded using a governmental fund type account but the accounting varies depending on whether it is a current refunding or an advance refunding.

In a current COP refunding, the refunding (new COP) proceeds are recorded with Revenue Source Code 0854 "Proceeds of Refunding COPs." The payment to the escrow agent is recorded as an expenditure, subobject PA "Principal" and/or PB "Interest." Original issue premiums are recorded to Revenue Source Code 0853 "Original Issue Premium – Refunding COPs." Original issue discounts are recorded to Revenue Source Code 0851 "Original Issue Discount – Refunding COPs." Issuance costs, including underwriter's discount, are recorded to Revenue Source Code 0852 "Underwriters Discount/Costs of Issuance – Refunding COPs."

In an advance COP refunding, the refunding (new COP) proceeds are recorded with Revenue Source Code 0854 "Proceeds of Refunding COPs." The payment to the escrow agent is recorded with Revenue Source Code 0850 "Payments to Refunded COP Escrow Agents." Original issue premiums are recorded to Revenue Source Code 0853 "Original Issue Premium – Refunding COPs." Original issue discounts are recorded to Revenue Source Code 0851 "Original Issue Discount – Refunding COPs." Issuance costs, including underwriter's discount, are recorded to Revenue Source Code 0852 "Underwriters Discount/Costs of Issuance – Refunding COPs."

The refunded debt (old COP) is removed from and the refunding debt (new COP) is recorded in Account 999 "General Long-Term Obligations Subsidiary Account."

In a **proprietary or trust fund** type account, when COP debt is refunded (either a current or advance refunding), the refunded (old) COP is removed from, and the refunding (new) COP is recorded in the applicable account. If material, the difference between (1) the book value of the refunded (old) COP and (2) the amount required to retire the old COP is deferred. The deferred amount is recorded in GL Code 5266 "Deferred Inflow on COP Refundings" (credit amount) or 1971 "Deferred Outflow on COP Refunding" (debit amount). The deferred amount is amortized as an adjustment to interest expense over the remaining life of the refunded COP or the life of the refunding COP, whichever is shorter. Refer to Subsection 85.85.52 for illustrative entries.

The book value of the refunded COP includes its maturity value, any related unamortized premium or discount (GL Codes 5920 "Unamortized Premiums on COPs Sold" and 1911 "Unamortized Discounts on COPs Sold").

85.72.50 Vacation leave payable

July 1, 2009

85.72.50.a **General**

A liability accrues as employees accumulate vacation leave in that, at termination, employees become entitled to a cash payment for all eligible accumulated vacation leave. Additionally, a liability accrues to the state for certain payroll related costs (e.g., the employer's portion of social security and Medicare taxes). Governmental fund type accounts accumulate this liability in Account 999 "General Long-Term Obligations Subsidiary Account." Proprietary and trust fund type accounts record vacation leave payable as a fund liability.

85.72.50.b **Establishing the Liability**

85.72.50.b.(1) As a part of the year-end closing process, a determination is made of the dollar value of accumulated vacation leave due employees on June 30 using current salary levels. One of two methods is to be employed in this computation:

- Determine the accumulated vacation leave liability on an employee-by-employee basis by multiplying the hours accumulated by the respective employee's current hourly rate; or

- Multiply the total accumulated vacation leave hours by the average hourly rate of all employees. (This option is to be used only by those agencies not having an automated system capable of making the calculation on an individual employee basis.)

85.72.50.b.(2) Once the dollar value of the vacation leave due employees is determined the employer portion of associated payroll related costs (i.e., social security and Medicare taxes) is calculated. The sum of the amount payable to employees and the employer share of the related payroll taxes represents Accrued Vacation Leave Payable.

85.72.50.c **Recording Vacation Leave Expense/Liability**

85.72.50.c.(1) Adjustments are made at the close of the fiscal year to record the increases (vacation leave earned) and decreases (vacation leave used) in the vacation leave liability. **Increases are to be recorded separately from decreases** to allow for proper financial reporting, as required by GASB Statement 34**.**

Agencies with multiple proprietary accounts or a combination of governmental and proprietary accounts need to allocate the vacation leave liability to **each** proprietary account and a single total for **all** governmental fund type accounts. This allocation may be estimated when leave records are not maintained by account.

85.72.50.c.(2) In proprietary and trust fund type accounts, increases in vacation leave liability are recorded as a fund liability through a debit to GL Code 6525 "Expense Adjustments/Eliminations (GAAP)" (using expenditure authority and program codes as appropriate) and a credit to GL Code 5125 and/or 5225 "Accrued Vacation Leave Payable," as deemed appropriate.

Decreases in vacation leave liability are recorded by a debit to GL Code 5125 and/or 5225 and a credit to GL Code 6525 with applicable expenditure authority and program codes.

85.72.50.c.(3) For governmental fund type accounts, increases in vacation leave liability are recorded in Account 999 "General Long-Term Obligations Subsidiary Account" as a debit to GL Code 1820 "Amount to be Provided for Retirement of Long-Term Obligations" and a credit to the GL Code 5125 and/or 5225, as deemed appropriate.

Decreases in the vacation leave liability are recorded as a debit to GL Code 5125 and/or 5225 and a credit to GL Code 1820.

85.72.60 Sick leave payable

June 1, 2004

85.72.60.a **General**

A liability for sick leave accrues as the benefits are earned to the extent that it is probable that the employer will compensate the employee for the leave conditioned on the employee's retirement. Paid time off for sick leave which is contingent on an illness is not subject to accrual because it is dependent on a future event that is beyond the control of the employer. To the extent that sick leave will be paid upon retirement, agencies are to estimate and record this liability.

The liability for sick leave includes the dollar value of the estimated amount to be paid in cash to employees upon retirement, and the employer portion of the associated payroll related costs (i.e., social security and Medicare taxes). Pension is not paid on sick leave buy-out.

85.72.60.b **Establishing the Liability**

85.72.60.b.(1) The dollar value of sick leave that will be paid to employees upon retirement is calculated using current salary levels and an estimate of the likelihood that employees with accumulated sick leave balances, as of year end, will remain in state service until they are eligible for retirement at which time they will be able to cash out their sick leave.

One of the following two methods is to be used in this computation. Once a method is selected, it is to be applied consistently.

- **Method 1 -** This method employs an actuarially determined factor of the probability that current employees will remain in state service until they are eligible for retirement. This method is an option where the dollar value of sick leave is readily available or can be calculated by multiplying the total sick leave hours accumulated by the average hourly pay rate of the employees. The dollar value of sick leave accumulated as of year-end is divided by four (since the state's buy-out policy is one day for every four accumulated) and then multiplied by the actuarially determined factor representing the probability that leave will be cashed out. This factor will be available annually from OFM Statewide Accounting.

- **Method 2 -** This method is based on the assumption that future sick leave buy-out will be consistent with recent years, that the average employee who will eventually cash out sick leave will work 30 years, and that there is a bell-shaped distribution of the employee population such that the mean time to retirement is 15 years. This method would be an option where the dollar value of accumulated sick leave hours is not readily available.

Compute an average of the sick leave buy-out (Subobject AS) for the most recent three years. Multiply the average by 15 years.

85.72.60.b.(2) Multiply the estimated sick leave that will be paid to by the employer's share of Social Security and Medicare taxes. The sum of the amount to be paid to employees and the employer payroll taxes represents Accrued Sick Leave Payable.

85.72.60.c **Recording Sick Leave Expense/Liability**

85.72.60.c.(1) Once the estimate of sick leave payable as of year-end has been calculated, it is compared with the current balance in GL Codes 5127 and/or 5227 "Accrued Sick Leave Payable," as appropriate. Adjustments are made to record the increases (sick leave earned) and decreases (sick leave used) in the sick leave liability. **Increases are to be recorded separately from decreases** to allow for proper financial reporting, as required by GASB Statement 34. Agencies with multiple proprietary accounts or a combination of governmental and proprietary accounts need to allocate the sick leave liability to **each** proprietary account and a single total for **all** governmental accounts. This allocation may be estimated when leave records are not kept by account.

85.72.60.c.(2) In proprietary and trust fund type accounts, increases in sick leave payable are recorded as a fund liability through a debit to GL Code 6525 "Expense Adjustments/Eliminations (GAAP)" (using expenditure authority and program codes as appropriate) and a credit to GL Code 5127 and/or 5227 "Accrued Sick Leave Payable," as deemed appropriate. Decreases in sick leave liability are recorded as a debit to GL Code 5127 and/or 5227 with an offsetting credit to GL Code 6525 with applicable expenditure authority and program codes.

85.72.60.c.(3) For governmental fund type accounts, increases in sick leave liability are recorded in Account 999 "General Long-Term Obligations Subsidiary Account" as a debit to GL Code 1820 "Amount to be Provided for Retirement of Long-Term Obligations" and a credit to GL Code 5127 and/or 5227, as deemed appropriate. Decreases in the sick leave liability are recorded as a debit to GL Code 5127 and/or 5227 and a credit to GL Code 1820.

85.72.65 Compensatory time payable

July 1, 2009

85.72.65.a **General**

A liability accrues as certain employees accumulate compensatory time in that employees become entitled to a cash payment for all eligible accumulated compensatory time at intervals prescribed by regulation, collective bargaining agreement, or agency policy, as applicable. Additionally, a liability accrues to the state for certain payroll related payments (e.g., the employer's portion of pension benefit and social security and Medicare taxes). Governmental fund type accounts accumulate this liability in Account 999 “General Long-Term Obligations Subsidiary Account.” Proprietary and trust fund type accounts record vacation leave payable as a fund liability.

85.72.65.b **Establishing the Liability**

85.72.65.b.(1) As a part of the year-end closing process, a determination is made of the dollar value of accumulated compensatory time due employees on June 30 using current salary levels. One of two methods is to be employed in this computation:

- Determine the accumulated compensatory time liability on an employee-by-employee basis by multiplying the hours worked at time-and-one-half by the respective employee's current hourly rate; or
- Multiply the total accumulated compensatory time hours worked at time-and-one-half by an average hourly rate. (This option is to be used only by those agencies not having an automated system capable of making the calculation on an individual employee basis.)

85.72.65.b.(2) Once the dollar value of the compensatory time due employees is determined the employer portion of associated payroll related costs (i.e., pension and social security and Medicare taxes) is calculated. The sum of the amount payable to employees and the employer share of the related payroll taxes and benefits represents Accrued Compensatory Time Payable.

85.72.65.c **Recording Compensatory Time Expense/Liability**

85.72.65.c.(1) Adjustments are made at the close of the fiscal year to record the increases (compensatory time earned) and decreases (compensatory time used) in the compensatory time liability. **Increases are to be recorded separately from decreases** to allow for proper financial reporting, as required by GASB Statement 34.

Agencies with multiple proprietary accounts or a combination of governmental and proprietary accounts need to allocate the compensatory time liability to **each** proprietary account and a single total for **all** governmental accounts. This allocation may be estimated when compensatory time records are not kept by account.

85.72.65.c.(2) In proprietary and trust fund type accounts, increases in compensatory time liability are recorded as a fund liability through a debit to GL Code 6525 "Expense Adjustments/Eliminations (GAAP)" (using expenditure authority and program codes as appropriate) and a credit to GL Code 5128 and/or 5228 "Accrued Compensatory Time Payable," as deemed appropriate. Decreases in compensatory time liability are recorded by a debit to GL Code 5128 and/or 5228 and a credit to GL Code 6525 with applicable expenditure authority and program codes.

85.72.65.c.(3) For governmental fund type accounts, changes in the compensatory time liability are to be reflected in the governmental account if the liability is to be liquidated within 12 months, or in Account 999 "General Long-Term Obligations Subsidiary Account" if the intent is to liquidate it after one year. Increases in compensatory time liability are recorded as a credit to GL Code 5128 and/or 5228, and a debit to expenditures in the governmental account or a debit to GL Code 1820 "Amount to be Provided for Retirement of Long-Term Obligations" in Account 999, as appropriate. Decreases in the compensatory time liability are recorded as a debit to GL Code 5128 and/or 5228 and a credit to expenditures in the governmental account or a credit to GL Code 1820 in Account 999, as appropriate.

85.72.70 Termination benefits

July 1, 2006

A liability accrues for termination benefits provided to state employees. Additionally, a liability accrues to the state for certain payroll related costs (e.g., the employer's portion of pension benefit and social security and Medicare taxes). Unemployment compensation or effects of a termination benefit on the agency's obligations for pension or other postemployment benefits are not considered termination benefits.

In governmental fund type accounts, termination benefits are recorded as an expenditure and fund liability. In proprietary and trust fund type accounts, termination benefits are recorded as an expense and fund liability. Contact your OFM Accounting Consultant for further guidance on recording termination benefits.

85.74
Special Liabilities

85.74.10 Vendor payment advance

July 1, 2003

85.74.10.a **General**

85.74.10.a.(1) As prescribed in RCW 28B.50.090 and in RCW 28B.50.143, the State Board for Community and Technical Colleges (SBCTC) and each community and technical college district may request and receive an advance from the Office of the State Treasurer (OST) for local vendor payments. Vendor payment advances are considered liabilities of the agencies receiving the monies.

85.74.10.a.(2) The SBCTC and each individual college are responsible for establishing proper accounting procedures and controls to ensure accountability and obtain maximum benefit from the authorized advance.

85.74.10.b **Initial Advance**

85.74.10.b.(1) The SBCTC is to submit to the Office of Financial Management (OFM) a request for approval of the amount calculated as the initial advance for the SBCTC and each individual college. In arriving at the amounts, the following criteria is to be used:

- The base to be used in the calculation of the advance is to equal total budgeted expenditures of the General Fund for the biennium.
- The amount of the advance to each individual college is to be limited to 17 percent of its average monthly allotment for General Fund expenditures, and the amount advanced to the SBCTC is to be limited to 24 percent of its average monthly allotment for General Fund expenditures.
- Approval is not to be granted if the allotment for the community and technical college system has not been received by OFM.

85.74.10.b.(2) Upon approval by OFM, the SBCTC is to notify each individual college of its approved amount. Thereafter, the SBCTC and each individual college are to prepare a Journal Voucher (A7-A) for the amount of the advance and request an ACH.

In all cases, the payee is to be the institution and is not to include the name of an individual. The entry required in the general ledger for Account 001 "General Fund" is a debit to GL Code 1350 "Due From Other Funds - Advances" and a credit to GL Code 7120 "Warrants/ACH Payments In-Process." Refer to Subsection 85.85.55.a.(1) for an illustrative entry.

85.74.10.b.(3) Upon receipt of the ACH, the SBCTC and each individual college are to record the amount received in Account 840 "Institutions of Higher Education - Agency Account." The entry required in the general ledger for Account 840 is a debit to GL Code 1110 "Cash in Bank" and a credit to GL Code 5150 "Due To Other Funds - Advances." Refer to Subsection 85.85.55.a.(2) for an illustrative entry.

85.74.10.c **Payments for Goods and Services**

85.74.10.c.(1) The SBCTC and each individual college are to process vendor payments for those items chargeable to the General Fund in the same manner as local account expenditures with the following exceptions:

- Checks are to be drawn on the local bank account against the cash advance deposited in Account 840, but no expenditure data is to be recorded against this account. Instead, the entry required in the general ledger for Account 840 is a debit to GL Code 1350 "Due from Other Funds - Advances" and a credit to GL Code 1110 "Cash in Bank." Refer to Subsection 85.85.55.b.(1) for an illustrative entry.

- To support the debit entry to the clearing account, the SBCTC and each individual college are to maintain a file detailing the expenditure/expense coding which is to be charged when reimbursement is requested.

85.74.10.c.(2) The SBCTC and each individual college are to record expenditure data to Account 001 "General Fund." This entry is to be made simultaneously with the general ledger entry to Account 840. The general ledger entry required in Account 001 is a debit to GL Code 6505 "Accrued Expenditures/ Expenses" and a credit to GL Code 5150 "Due To Other Funds - Advances." Refer to Subsection 85.85.55.b.(2) for an illustrative entry.

85.74.10.d **Reimbursements**

85.74.10.d.(1) At the end of each month, the SBCTC and each individual college are to process a Journal Voucher (A7-A) requesting reimbursement for the amount of money actually disbursed from the advance.

The amount requested should be supported by the detailed listing as noted in 85.74.10.c.(1) above. When reimbursement is requested, cash expenditures are to be recorded in Account 001 "General Fund." The entry is a debit to GL Code 5150 "Due To Other Funds - Advances" and a credit to GL Code 6505 "Accrued Expenditures/Expenses" and a debit to GL Code 6510 "Cash Expenditures/Expenses" and a credit to GL Code 7120 "Warrants/ACH Payments In-Process." Upon receipt of the ACH, the SBCTC and each individual college are to record the deposit in Account 840. The entry is a debit to GL Code 1110 "Cash in Bank" and a credit to GL Code 1350 "Due From Other Funds - Advances." Refer to Subsection 85.85.55.c for illustrative entries.

85.74.10.d.(2) The SBCTC and each individual college are limited to one reimbursement per month. At no time is the SBCTC or any individual college to request an amount of reimbursement in excess of actual cash outlays.

85.74.10.d.(3) Accruals, together with encumbrances, are to be posted to the General Fund at the end of each month.

85.74.10.e **Biennial Close out of Vendor Payment Advance** - Early in each new biennium the advance for the preceding biennium is to be closed out. To close out the vendor payment advance, the SBCTC and each individual college are to follow these procedures:

85.74.10.e.(1) **Institutions of Higher Education - Agency Account 840**

The amount reimbursed for expenditures incurred in June will be reduced by the amount initially advanced. This amount should equal the difference between the amount of the original advance as recorded in GL Code 5150 "Due To Other Funds - Advances" and the amount of June expenditures in GL Code 1350 "Due From Other Funds - Advances." If June expenditures are greater than the amount initially advanced, the difference is to be requested as reimbursement. If June expenditures are less than the amount initially advanced, the difference must be remitted to the General Fund 001. To record the amount to be reimbursed or remitted, the following entries are required: The first entry required is a debit to GL Code 5150 and a credit to GL Code 1350 for the amount of the initial advance. After this entry has been made, the balance in GL Code 1350 will indicate whether funds are to be requested or remitted to the General Fund 001.

If the balance in GL Code 1350 is a debit, request reimbursement of this amount by processing a Journal Voucher (A7-A) requesting an ACH. Upon receipt of the ACH, the entry required is a debit to GL Code 1110 and a credit to GL Code 1350.

If the balance in GL Code 1350 is a credit, ACH the balance to the General Fund 001 and process a Cash Receipts Journal Summary (A8-A). The entry required is a debit to GL Code 1350 and a credit to GL Code 1110. Refer to Subsection 85.85.55.d for an illustrative entry.

The SBCTC and each individual college are to use the listing from the payment file detailing the expenditure/expense GL coding to be charged for advance payments.

85.74.10.e.(2) **General Fund – Account 001**

The SBCTC and each individual college are to record the reimbursement or remittance in the General Fund. If the final amount is a reimbursement from Account 001, the entry is a debit to GL Code 5150 "Due To Other Funds - Advances" and a credit to GL Code 7120 "Warrants/ACH Payments In-Process" for the amount reimbursed. If the final amount is a remittance to Account 001, the entry is a debit to GL Code 7110 "Receipts In-Process" and a credit to GL Code 1350 "Due From Other Funds - Advances." Refer to Subsection 85.85.55.d.(2) for an illustrative entry.

At this point the balances in GL Code 1350 "Due From Other Funds - Advances" and GL Code 5150 "Due To Other Funds - Advances" should be zero.

85.74.20 Public works contracts - retention of payments

July 1, 2012

85.74.20.a **General**

85.74.20.a.(1) RCW 60.28.011 requires, in part, that all contracts for public improvements or work, other than for professional services, by a public body must provide for retention from the amounts earned by the contractor those amounts provided by law. Such monies are to be retained in accordance with the provision of the law for the protection and payment of the claims of any person arising under the contract and the state for taxes due from the contractor.

Highway, street or road public improvement contracts funded in whole or in part by federal transportation funds are to rely upon the contract bond as referred to in Chapter 39.08 RCW for protection of payment and taxes, as described in the preceding paragraph.

85.74.20.a.(2) The monies withheld from amounts due a contractor under the provisions of a public works contract, at the option of the contractor, shall be:

- Retained in an account by the agency, or
- Deposited by the agency in an interest bearing account in a qualified public depositary, or
- Placed in escrow with a bank or trust company by the agency.

Alternatively, a contractor may submit a bond for all or any portion of the contract retainage in a form acceptable to the agency and from a bonding company meeting standards established by the agency.

85.74.20.a.(3) Following the award of a contract for public improvements or work for which retained percentages are required to be withheld under the provisions of RCW 60.28.011, agencies are to require the contractor to exercise an option in writing as to whether monies withheld from amounts due to the contractor are to be retained by the agency, deposited in an interest bearing account, placed in escrow, and/or whether the contractor will submit a bond for all or a portion of the contract retainage. Agencies are to develop procedures for informing the contractor of the options and method for exercising the option selected.

An option must be exercised prior to or at the time of submission of the invoices for the first progress payment to be made under the contract. No progress payment is to be made until the contractor has exercised an option in writing.

85.74.20.a.(4) Payments on contracts for public improvements or work should be made in accordance with Chapter 60.28 RCW.

85.74.20.a.(5) Refer to Subsection 85.85.60 of this manual for illustrative entries related to retained percentages.

85.74.20.b **Retainage Held by the Agency**

When an election is made for the agency to hold the retainage in a state account, the agency records the amount retained in GL Code 5116 “Retained Percentages Payable.” The agency should maintain a subsidiary record of the retainage held by contract number and contractor name.

85.74.20.c **Retainage Deposited in Interest Bearing Accounts**

85.74.20.c.(1) When an election is made to deposit amounts withheld in an interest bearing account in a public depositary, the contractor and agency are to select an institution agreeable to both. The financial institution selected must be a qualified public depositary under Chapter 39.58 RCW.

85.74.20.c.(2) Deposits in an interest bearing account are to be in the name of the agency and are not allowed to be withdrawn without the agency's written authorization.

85.74.20.c.(3) Interest earned on deposits is to be paid to the contractor as said interest becomes payable under the terms of the deposit. The agency is to notify the institutions to withhold all further payments of interest in the event claims are filed against the contractor. After such notice, all unpaid interest is to be subject to the conditions of Chapter 60.28 RCW. The account is to be appropriately noted by the public depositary to enable that institution to report interest payments made to the contractor to the Internal Revenue Service in the proper format.

85.74.20.d **Retainage Placed in Escrow**

85.74.20.d.(1) When the contractor elects to place amounts withheld in escrow, the contractor selects a bank or trust company as the escrow agent. The agency, contractor, and escrow agent are to then jointly execute an Escrow Agreement approved as to form by the Attorney General. The Escrow Agreement, in addition to other requirements, is to provide for payment of all escrow services and brokerage fees by the contractor and is to stipulate that the contractor agrees to assume all risks in connection with the investment of the retained percentages. A copy of the completed Escrow Agreement is to be provided to the escrow agent, contractor, and agency prior to the time the first progress payment is made.

85.74.20.d.(2) When the moneys withheld are placed in escrow, the warrant or check representing the sum of the monies withheld is to be made payable to the bank or trust company and the contractor jointly. Such monies are to be converted into bonds and securities and held in escrow. The bonds and securities are to be chosen by the contractor and approved by the agency. Interest on the bonds and securities shall be paid to the contractor as said interest becomes payable under the terms of the Escrow Agreement.

In approving securities, the agency is to consider the probable safety of the securities and their liquidity in relation to completion of the project and the timing of retention payments per statute. The agency may approve investments in bonds or securities eligible for investment by public entities, pursuant to RCW 43.84.080 and Chapters 39.58, 39.59 and 43.250 RCW.

85.74.20.d.(3) The agency is to retain in its files all documents, supporting data, and records which reflect all actions taken relating to the escrow account and the investment of escrow monies.

85.74.30 Unclaimed property

July 1, 2008

In accordance with state law, unclaimed personal property is held by the state in the absence of legal claimants. The state accounts for abandoned property in Account 196 "Unclaimed Personal Property Account." Amounts in excess of a statutory limit are transferred to the General Fund. The state establishes a liability in Account 196 to reflect an estimate of the amount that will eventually be claimed using short-term GL Code 5193 "Liability for Unclaimed Property Refunds" and long-term GL Code 5293 "Liability for Unclaimed Property Refunds."

The state uses Account 527 "Administrator for Intestate Estates Account" for escheat property. Property escheats to the state from the estates of persons who die intestate without any known or discoverable heirs. Account 527 is used to account for the escheat property pending identification of rightful heirs. Refer to RCW 63.29.130 for unclaimed property held by courts and public agencies, and RCW 63.29.150 for unclaimed wages.

85.74.40 Claims and judgments

October 1, 2011

85.74.40.a Agencies are to record a liability for claims and judgments when all four of the following criteria are met:

- The event giving rise to the claim occurred prior to the end of the fiscal year,
- It is probable that a claim will be asserted,
- It is probable that the claim will prevail, and
- The amount of the loss is measurable or estimable.

85.74.40.b In governmental fund type accounts, a claim or judgment is recognized as an expenditure and a liability as of the date that payment became due pursuant to the terms of a settlement agreement or court judgment (assuming there is no appeal) regardless of whether or not there are sufficient available spendable resources to liquidate them. The remaining portion of the liability is recorded in Account 999 "General Long-Term Obligation Subsidiary Account."

85.74.40.c In proprietary and trust fund type accounts, claims and judgments are always fund liabilities. They are separated into short-term GL Code 5113 "Claims and Judgments Payable" and long-term GL Code 5213 "Claims and Judgments Payable."

85.74.40.d An example of a claims liability involves disallowed costs on federal programs. At the point that the agency determines that it is probable that a repayment will be made to the federal government and the amount is measurable, a claims liability is to be recorded. Additionally, an adjustment for the amount of the repayment is to be recorded to reduce both the federal revenue and expenditure/expense initially charged. Refer to Subsection 85.85.65 for an illustrative entry.

85.74.40.e In instances where it is reasonably possible that a loss has occurred or an asset has been impaired, or a loss is probable but not measurable, a liability should not be recorded. These contingent obligations are reported by means of the year-end disclosure form process and disclosed in the notes to the state's financial statements.

85.74.50 Pollution remediation obligations

July 1, 2009

85.74.50.a Pollution remediation obligations are liabilities related to the State's responsibility to clean up pollution or contamination. They do not include obligations for pollution prevention or control activities.

85.74.50.b When *one* of the following five events or circumstances occurs, agencies must attempt to estimate the expected pollution remediation outlays:

- Pollution poses an imminent danger to the public or environment and the agency has little choice but to take action.
- The agency violates a pollution prevention-related permit or license.

- A regulator identifies the agency as responsible or potentially responsible for cleaning up pollution.
- The agency is named (or evidence indicates that it will be named) in a lawsuit to compel it to address pollution.
- The agency begins or legally obligates itself to begin cleanup or post-cleanup activities.

85.74.50.c Pollution remediation efforts should be broken down into components, such as legal services, site investigation, and post remediation monitoring. On an on-going basis, the efforts should be analyzed by component to determine if costs are reasonably estimable. A liability should be recognized as the ranges within a component become reasonably estimable.

85.74.50.d The liability for the pollution remediation should be measured at current value (not present value) using the expected cash flow technique. The expected cash flow technique is the sum of probability-weighted amounts in a range of possible estimated amounts.

85.74.50.e In governmental fund type accounts, goods and services that are used for pollution remediation activities should be recognized as liabilities of the operating accounts only to the extent that the goods and services have been received and the liabilities are expected to be liquidated with current available spendable resources. An entry is required to reserve a portion of fund balance to indicate that the liability is not available for appropriation.

This is accomplished by debiting the appropriate Fund Equity GL Code and crediting GL Code 9260 “Restricted for Pollution Remediation Liabilities.” The remaining portion of the liability is recorded in Account 999 “General Long-Term Obligation Subsidiary Account.”

85.74.50.f In proprietary and trust fund type accounts, pollution remediation obligations are always fund liabilities. They are separated into short-term liabilities using appropriate general ledger codes (for example, accounts payable, claims and judgments payable, or accrued salaries) and long-term liabilities using GL Code 5287 “Pollution Remediation Obligation.”

85.74.50.g Agencies that have or believe they may have pollution remediation obligations should contact their OFM Accounting Consultant for assistance. Refer to Subsection 90.40.75 for fiscal year-end disclosure requirements related to pollution remediation obligations.

85.74.55 Other post employment benefit (OPEB) obligations

July 1, 2008

85.74.55.a Obligations for other post employment benefits (OPEB), such as retiree medical and dental insurance subsidies, are recognized as the benefits are being earned. Even though Washington's OPEB are not formalized in a contract or plan document, GAAP require that the actuarially determined value of the annual required contribution be recognized on an annual basis. To the extent that the annual required contribution is not funded, an OPEB obligation accrues.

85.74.55.b In governmental fund type accounts, the OPEB obligation is recorded in Account 999 "General Long-Term Obligation Subsidiary Account."

85.74.55.c In proprietary and trust fund type accounts, the OPEB obligation is recorded as a fund liability.

85.80
Fund Equity

85.80.10 Fund Equity
June 1, 2013

85.80.10.a Fund equity represents the difference between fund assets and fund liabilities. Fund equity is reported differently for governmental and proprietary fund types.

85.80.10.b In governmental fund type accounts, fund equity is called fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. These classifications reflect the extent to which the state is bound to honor constraints on the purposes for which the amounts can be spent. Adjustments to fund balance are made at the account level to identify the degree of constraint. Refer to Subsection 85.85.70 for an illustrative entry.

85.80.10.c In proprietary fund type accounts, fund equity is called net position. Net position is comprised of three components – net investment in capital assets; restricted; and unrestricted.

85.80.10.d For reporting at the government-wide level, fund equity is presented in the net position format consistent with proprietary funds.

85.80.10.e Except under specific circumstances, direct entries to fund equity, other than adjustments to record amounts that are nonspendable, restricted, committed or assigned, are not allowed. Examples of circumstances where direct entries to fund equity are allowed include implementation of new accounting standards and correction of material prior period errors. Refer to Subsection 90.20.15.

85.80.10.f Refer to Subsection 75.40.20 of this manual for a description of the various net asset general ledger codes.

85.85
Liabilities and Equity - Illustrative Entries

85.85.10 General
July 1, 2003

The entries in this section illustrate the recording of liabilities and equity in the accounting records. The entries are for illustrative purposes **only** and should **not** be considered all-inclusive. Entries posted to GL Code Series 71XX "In-Process" in treasury and treasury trust accounts also require an entry from the Office of the State Treasurer (OST) as illustrated below to clear the In-Process GL Codes.

	Dr.	Cr.
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST Only) (4310)		xxx

The entry would be reversed for In-Process debit amounts.

85.85.15 Establishment of short-term liabilities
May 1, 1999

To record the accrual of expenditures/expenses for goods and services from a vendor invoice. Refer to Subsection 85.70.20.c.

	Dr.	Cr.
Accrued Expenditures/Expenses (6505)	xxx	
Appropriate Short-term Payable GL Code (51XX)		xxx

85.85.20 Payment of short-term liabilities
May 1, 1999

To record payment of a short-term liability.

	Dr.	Cr.
Appropriate Short-term Payable GL Code (51XX)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx
Cash Expenditures/Expenses (6510)	xxx	
Accrued Expenditures/Expenses (6505)		xxx

85.85.22 Long-term to short-term reclassification

June 1, 2004

To record the reclassification at fiscal year-end of the portion of long-term liabilities that is considered short-term (due and payable within the next fiscal year). Refer to Subsection 85.70.50.

	Dr.	Cr.
Long-term Liability Account (52XX)	xxx	
Short-term Payable Account (51XX)		xxx

85.85.24 Unavailable revenues

June 1, 2015

85.85.24.a To record unavailable revenue. For example, under a sales tax deferral program, taxes are accrued but will not be collected within the next 12 months. Refer to Subsection 85.70.40. May be used only in governmental fund type accounts.

	Dr.	Cr.
Taxes Receivable (1611)	xxx	
Unavailable Revenues (5292)		xxx

85.85.24.b To record recognition of revenue once applicable recognition criteria have been met, i.e., taxes are collectible within the current period or soon enough after the end of the period to pay current liabilities.

	Dr.	Cr.
Unavailable Revenues (5292)	xxx	
Accrued revenue (3205) Revenue Source Code (01XX) appropriate tax revenue code		xxx

85.85.25 Unearned revenues

January 1, 2012

85.85.25.a To record unearned revenue. For example, cash received from students for tuition and fees paid in advance of providing services. Refer to Subsection 85.70.45.

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Unearned Revenues (5190)		xxx

85.85.25.b To record recognition of revenue once earning process is complete.

	Dr.	Cr.
Unearned Revenues (5190)	xxx	
Cash Revenue (3210) Revenue Source Code (0424) Tuition and Fees		xxx

85.85.30 Fund bond debt issuance and servicing

June 1, 2013

The following example is used to illustrate entries for recording the issuance and servicing of fund bond debt in a non-appropriated proprietary account. Generally, these bonds are revenue bonds. Refer to Subsection 85.72.20.c.

An agency issues revenue bonds with:

- Par amount of $5,000,
- Original issue discount (OID) of $200,
- Underwriter's discount (UD) of $60, and
- Costs of issuance (COI) of $20.

Details of the bond debt service are:

- 1st year $500 principal, $300 interest, and
- 2nd year $600 principal.

Note: Original issue discount (OID) results when the par of the bond exceeds its purchase price. Original issue premium (OIP) results when the par of the bond is less than the purchase price. If deemed material, OID and OIP are deferred (using GL Codes 1910 "Unamortized Discount on Bonds Sold," and 5910 "Unamortized Premiums on Bonds Sold" respectively) and amortized over the life of the bonds using GL Code 6512 "Amortization Expense" Subobject WB "Amortization." Issuance costs, including underwriters' discounts, are recorded as expenses using GL Code 6510 "Cash Expenditures/Expenses" and appropriate object codes such as C or E or Subobject PC "Other Debt Costs." If the OIP or OID is deemed immaterial, it should be recorded in the same manner as the other issuance costs. Refer to Subsection 85.72.20.c.

85.85.30.a To record the issuance of the revenue bonds and payment of the costs of issuance.

	Dr.	**Cr.**
Cash in Bank (1110)	4,740	
Cash Expenditures/Expenses (6510) Subobject PC (*UD*)	60	
Unamortized Discount on Bonds Sold (1910) (*OID*)*	200	
Revenue Bonds Payable (5262) *(Par)*		5,000
Cash Expenditures/Expenses (6510) Subobject PC (*COI*)	20	
Cash in Bank (1110)		20

*If the bond had an OIP instead of an OID, GL Code 5910 "Unamortized Premiums on Bonds Sold" would be credited and amortized over the life of the bond.

85.85.30.b To record as short term that portion of principal due within the next fiscal year.

	Dr.	Cr.
Revenue Bonds Payable (5262)	500	
Revenue Bonds Payable (5162)		500

85.85.30.c To record the payment of the first year's debt service.

	Dr.	Cr.
Revenue Bonds Payable (5162) (principal)	500	
Cash Expenditures/Expenses (6510) Subobject PB – Interest	300	
Cash in Bank (1110)		800

85.85.30.d To record annual amortization of original issue discount (OID) on a straight-line basis.

	Dr.	Cr.
Amortization Expense (6512) Subobject WB	20	
Unamortized Discount on Bonds Sold (1910)		20

85.85.30.e At fiscal year-end for reporting purposes, to reclassify as short-term that portion of principal due within the next fiscal year. At fiscal year-end, the amount in GL Code 5162 should agree with the next year's principal payment on the bond amortization schedule.

	Dr.	Cr.
Revenue Bonds Payable (5262)	600	
Revenue Bonds Payable (5162)		600

Note: If this were a **budgeted proprietary account**, bond proceeds would be recorded as revenue by a credit to GL Code 3210 "Cash Revenues," Revenue Source Code 0860 "Bonds Issued," and then adjusted for GAAP reporting purposes through GL Code 3225 "Revenue Adjustments/ Eliminations (GAAP)," Revenue Source Code 0860 to GL Code 5162 "Revenue Bonds Payable." Likewise, payments on bond principal would be initially recorded as expenditure by a debit to GL Code 6510 Subobject PA "Principal," and then adjusted for GAAP reporting purposes through GL Code 6525 "Expense Adjustments/Eliminations (GAAP)," Subobject PA to GL Code 5162.

85.85.35 General bond debt issuance and servicing

January 1, 2011

The following example is used to illustrate entries for recording the issuance and servicing of general bond debt:

- Par amount of $5,000,
- Original issue premium (OIP) of $200,
- Underwriter's discount (UD) of $60, and
- Costs of issuance (COI) of $20.

Details of the bond debt service are:

- 1st year $500 principal, $300 interest, and
- 2nd year $600 principal.

Note: Discounts that are related to underwriters' fees are handled consistent with other issue costs. Original issue discount (OID) results when the par of the bond exceeds its purchase price. Original issue premium (OIP) results when the par of the bond is less than the purchase price. Costs of issuance (COI) are generally included in the proceeds and paid separately. Refer to Subsection 85.72.20.c.

For purposes of this example, proceeds of the debt issue will be used to build a facility to house a general governmental agency. The COI for general obligation bond debt sold by the Office of the State Treasurer (OST) are always included in the proceeds and paid separately by OST.

85.85.35.a To record the issuance of the bonds and payment of the costs of issuance.

Office of the State Treasurer (agency 010):

State Building Construction Account (Account 057):

	Dr.	Cr.
Receipts In-Process (7110)	5,140	
Cash Expenditures/Expenses (6510) Subobject ER – Other Purchased Services (*UD*)	60	
Cash Revenues (3210) Revenue Source Code (0863) Original Issue Premium - Bonds *(OIP)*		200
Cash Revenues (3210) Revenue Source Code (0860) Bonds Issued or (0864) Taxable Bonds Issued *(Par)*		5,000

Cash Expenditures/Expenses (6510) with appropriate subobject for COI	20	
In-Process (71XX)		20

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Amount to be Provided for Retirement of Long-Term Obligations (1820) (*Par)*	5,000	
General Obligation Bonds Payable (5161)		500
General Obligation Bonds Payable (5261)		4,500

Note: If bond proceeds are being distributed to accounts other than Account 057, the costs of issuance (COI) will be prorated to those accounts based on the portion of the par amount that they receive.

85.85.35.b To record a debt service transfer from an operating (reimbursing) account, through the General Fund, and then to a debt service fund type account for a reimbursable bond.

Office of the State Treasurer (agency 010):
Operating (Reimbursing) Account:

	Dr.	Cr.
Cash Revenues (3210) Revenue Source Code (0694) Operating Transfers – Debt Service Reimbursements	800	
Journal Vouchers In-Process (7140)		800

General Fund (Account 001):

	Dr.	Cr.
Journal Vouchers In-Process (7140)	800	
Cash Revenues (3210) Revenue Source Code (0694) Operating Transfers – Debt Service Reimbursements		800

Cash Revenues (3210) Revenue Source Code (0694) Operating Transfers – Debt Service Reimbursements	800	
Journal Vouchers In-Process (7140)		800

Debt Service Account (Account 381 or Account 383):

	Dr.	Cr.
Journal Vouchers In-Process (7140)	800	
Cash Revenues (3210) Revenue Source Code (0694) Operating Transfers – Debt Service Reimbursements		800

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Amount Available in Debt Service Funds (1810)	800	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		800

85.85.35.c If the bond payment does not relate to a reimbursable bond, then the debt service transfer is made directly from the General Fund to a debt service fund type account as follows:

Office of the State Treasurer (Agency 010):
General Fund (Account 001):

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject MP Interfund Transfers Out – Principal	500	
Cash Expenditures/Expenses (6510) Subobject MI Interfund Transfers Out- Interest	300	
Journal Vouchers In-Process (7140)		800

Debt Service Account (Account 3XX):

	Dr.	Cr.
Journal Vouchers In-Process (7140)	800	
Cash Expenditures/Expenses (6510) Subobject MC Interfund Transfers In – Principal		500
Cash Expenditures/Expenses (6510) Subobject MD Interfund Transfers In – Interest		300

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Amount Available in Debt Service Funds (1810)	800	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		800

85.85.35.d To record the first debt service payment.

Debt Service Account (Account 3XX):

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PA Principal	500	
Cash Expenditures/Expenses (6510) Subobject PB Interest	300	
Journal Vouchers In-Process (7140)		800

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
General Obligations Bonds Payable (5161)	500	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		500
Amount to be Provided for Retirement of Long-Term Obligations (1820)	800	
Amount Available in Debt Service Funds (1810)		800

85.85.35.e At fiscal year-end for reporting purposes, to reclassify as short-term that portion of principal due within the next fiscal year. At fiscal year-end, the amount in GL Code 5161 should agree with the next year's principal payment on the general obligation bonds amortization schedule.

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
General Obligations Bonds Payable (5261)	600	
General Obligations Bonds Payable (5161)		600

85.85.40 Lease-purchase agreements (Capital leases)

March 17, 2010

85.85.40.a **GOVERNMENTAL FUND TYPE ACCOUNTS (AGENCY ENTRIES)**

The following example is used to illustrate the lease purchase entries for capital leases in a governmental fund type account. Refer to Subsection 85.72.30.

An agency operating from the General Fund (governmental fund type account) entered into an agreement to lease a copying machine with a fair value of $15,000 for 60 months at the rate of $300 per month. The current interest rate is 12 percent and the present value of the minimum lease payments is $13,621 (annuity due). Since the value of the asset meets the state's capitalization threshold, this lease-purchase meets the state's criteria for a capital lease (refer to Subsection 30.20.30 for further information on capitalization criteria for capital leases). The amount to be capitalized is $13,621, which is the lesser of the fair value and net present value. Therefore, the entries to be recorded for a capital lease are as follows:

85.85.40.a.(1) To record the capital lease purchase of a capital asset and the lease liability.

Operating Account:

	Dr.	Cr.
Capital Assets Acquisition by Lease-Purchase Agreements or Certificates of Participation (6514) Subobject JC – Furnishings and Equipment or other appropriate subobject	13,621	
Other Financing Sources (3221) Revenue Source Code (0809) Capital Lease Acquisition		13,621

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Furnishings and Equipment (2410)	13,621	
Investment in General Capital Assets (9850)		13,621

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Amount to be Provided for Retirement of Long-Term Obligations (1820)	13,621	
Lease-Purchase Agreements Payable (5172)		2,229
Lease-Purchase Agreements Payable (5272)		11,392

Note: Contact the Office of the State Treasurer for the current rate of interest, for computing present value. Capital leases are computed as annuities due because the payments are made at the first of the month; other capital purchases may be computed as ordinary annuities.

85.85.40.a.(2) To record the first periodic payment of lease-purchase liability.

Note: No interest is accrued because the first lease payment is made at the beginning of the first month of the lease.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PA – Principal	300	
Cash in Bank (1110) or In-Process (71XX)		300

General Long-Term Obligations Subsidiary Account (Account 999):
To reduce the lease-purchase liability by the amount of periodic payment on the principal due.

	Dr.	Cr.
Lease-Purchase Agreements Payable (5172)	300	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		300

85.85.40.a.(3) To record the second periodic payment on a capital lease-purchase agreement.

Operating Account:
The interest computation: $13,621 less the first month's payment $300, times one percent, the monthly interest rate.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PA – Principal	167	
Cash Expenditures/Expenses (6510) Subobject PB – Interest	133	
Cash in Bank (1110) or In-Process (71XX)		300

General Long-Term Obligations Subsidiary Account (Account 999):
To reduce the lease-purchase liability by the amount of periodic payment on the principal due.

	Dr.	Cr.
Lease-Purchase Agreements Payable (5172)	167	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		167

85.85.40.a.(4) To reclassify as short term that portion of the liability due within the next fiscal year. At fiscal year-end, the amount in GL Code 5172 should be the same as the next year's principal payment on the agency's lease agreement amortization schedule.

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Lease Purchase Agreements Payable (5272)	167	
Lease Purchase Agreements Payable (5172)		167

85.85.40.b **Proprietary and Trust Fund Type Accounts**

The following example is used to illustrate the lease purchase entries for capital leases in proprietary and trust fund type accounts. Refer to Subsection 85.72.30.

An agency operating from a proprietary fund type account entered into an agreement to lease a copying machine with a fair value of $15,000 for 60 months at the rate of $300 per month. The current interest rate is 12 percent and the present value of the minimum lease payments is $13,621 (annuity due). Since the value of the asset meets the state's capitalization threshold, this lease-purchase meets the state's criteria for a capital lease.

Refer to Subsection 30.20.30 for further information on capitalization criteria for capital leases. The amount to be capitalized is $13,621, which is the lesser of the fair value and net present value. Therefore, the entries to be recorded in the proprietary fund for the capital lease are as follows:

85.85.40.b.(1) To record the capital lease-purchase of a capital asset and the lease liability. The asset is recorded at cost, excluding interest, of the asset financed. The current lease liability represents that portion of the lease obligations due within one year and the long-term liability represents lease obligations maturing thereafter.

	Dr.	Cr.
Furnishings and Equipment (2410)	13,621	
Lease-Purchase Agreements Payable (5172)		2,229
Lease-Purchase Agreements Payable (5272)		11,392

85.85.40.b.(2) To record the first periodic payment of a lease-purchase liability. The entire payment of the principal due is charged to the current lease-purchase agreements payable. No interest is accrued because the payment is made at the beginning of the first month of the lease.

	Dr.	Cr.
Lease-Purchase Agreements Payable (5172)	300	
Cash in Bank (1110) or In-Process (71XX)		300

Budgeted proprietary and trust fund type accounts require an additional entry to record an appropriated disbursement for the portion of the payment applicable to the principal.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PA – Principal	300	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject PA - Principal		300

85.85.40.b.(3) To record the second periodic payment of a capital lease-purchase liability paid from a budgeted account. Payment of the principal due is charged to the current lease-purchase agreements payable.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PB - Interest	133	
Lease-Purchase Agreements Payable (5172)	167	
Cash in Bank (1110) or In-Process (71XX)		300

Budgeted proprietary and trust fund type accounts require an additional entry to record the appropriated disbursement. The amount to be recorded is the portion of the payment applicable to the principal.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PA – Principal	167	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject PA - Principal		167

85.85.40.b.(4) At fiscal year end, to reclassify from long-term to short-term the principal portion of the lease-purchase liability due within the next fiscal year. At fiscal year-end, the amount in GL Code 5172 should be the same as the next year's principal payment on the agency's lease agreement amortization schedule.

	Dr.	Cr.
Lease-Purchase Agreements Payable (5272)	167	
Lease-Purchase Agreements Payable (5172)		167

85.85.40.c **Computation of Present Value Annuities**

Any annuity is a series of equal payments made at regular intervals of time. The time intervals between payments are called payment periods. An annuity is a compound interest situation with periodic payments. When the payments are made at the end of the payment periods, the annuity is called an ordinary annuity. When the payments are made at the beginning of the payment periods, the annuity is called an annuity due. Computation of present value may be achieved by use of the following formulas:

Where: **Pv = present value factor**
I = interest rate
n = number of periods

Ordinary Annuity/Present Value Formula - A loan is a prime example of this annuity situation in which a sum of money is to be repaid with interest by certain payments for a fixed number of periods. The present value of the loan can be computed by multiplying the periodic loan payments by the present value factor. The present value factor is calculated by using the following formula:

$$Pv = \frac{1 - \frac{1}{(1+i)^n}}{i}$$

Annuity Due/Present Value Formula - Rent or lease situations are common examples of this type of annuity. The present value of the rent or lease can be computed by multiplying the periodic rent/lease payments by the present value factor. The present value factor is calculated by using the following formula. (However, the formula need not be used, since tables showing present values computed with the formula at various interest rates are readily available.)

$$Pv = \frac{1 - \frac{1}{(1+i)^{n-1}}}{i}$$ and adding 1 to the computed amount

85.85.45 Equipment Certificates of Participation (COP)

June 1, 2013

85.85.45.a GOVERNMENTAL FUND TYPE ACCOUNTS (AGENCY ENTRIES)

The following example is used to illustrate entries for **equipment certificates of participation** (COP) in a **governmental** fund type account. Refer to Subsection 85.72.40.c.

An agency operating in a governmental fund type account purchases a piece of equipment for $10,000, and finances it with a COP.

Details of the COP issue are:

- Par amount of $10,115,
- Original issue premium (OIP) of $10,
- Underwriter's discount (UD) of $50, and
- Costs of issuance (COI) of $75.

Details of the COP debt service are:

- 1st year $2,000 principal, $600 interest, and
- 2nd year $2,200 principal.

Note: The actual par value of the COP is slightly higher than the proceeds required by the agency to cover issue costs, such as costs of issuance (COI) and the original issue discount (OID) and underwriter's discount (UD). The OID, results when the par of the COP is more than the purchase price. Original issue premium (OIP) results when the par of the COP is less than the purchase price. Discounts that are related to underwriters' fees are handled consistent with other issue costs. COI are generally included in the proceeds and paid separately by OST. OST provides agencies with a statement detailing this information. The agency is to include the financing costs as part of the cost of the asset that is capitalized and depreciated.

85.85.45.a.(1) To record the COP liability, original issue discount, underwriter's discount, and the expense of the costs of issuance (paid by OST). When the COP is sold by OST, it becomes an obligation of the agency even if the cash proceeds have not yet been received by the agency. The time period between the COP sale date and closing date is generally two weeks or less.

Operating Account:

	Dr.	**Cr.**
Due from Other Agency – OST (1354)	10,000	
Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation (6514) Subobject PC – Other Debt Costs *(UD + COI)*	125	
Other Financing Sources (3221) Revenue Source Code (0869) Original Issue Premium - COPs *(OIP)**		10
Other Financing Sources (3221) Revenue Source Code (0807) Certificates of Participation *(Par)*		10,115

*If the COP had an OID instead of an OIP Revenue Source Code 0868 "Original Issue Discount - COPs" would be debited.

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Amount to be Provided for Retirement of Long-Term Obligations (1820)	10,115	
Certificates of Participation Payable (5173)		2,000
Certificates of Participation Payable (5273)		8,115

85.85.45.a.(2) To record the agency's purchase of equipment, the subsequent reimbursement with COP proceeds from OST, and the capitalization of the equipment in Account 997. The purchase of the equipment and the reimbursement from OST may be several months apart.

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J – Capital Outlays*	10,000	
Cash in Bank (1110) or In-Process (71XX)*		10,000
Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation (6514) Subobject JC – Furnishings and Equipment	10,000	
Cash Expenditures/Expenses (6510) Object J – Capital Outlays*		10,000
Cash in Bank (1110) or In Process (71XX)*	10,000	
Due from Other Agency – OST (1354)		10,000

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Furnishings and Equipment (2410)	10,115	
Investment in General Capital Assets (9850)		10,115

*****If OST pays the vendor directly for the equipment, then the agency would not record the cash receipt or the cash disbursement entries (since there is no reimbursement to the agency). However, the agency would still record the capital acquisition in GL 6514 Subobject JC with the credit offset in GL Code 1354 "Due from Other Agency – OST."

Note: If a COP has been authorized and equipment costs are incurred in one fiscal year but the COP is not issued until the subsequent year, agencies should debit a receivable, such as GL Code 1352 "Due from Other Governments," and credit expenditures to GL Code 6510 in the year the equipment costs are initially incurred. When the COP is issued in the subsequent year, the agency should credit the GL Code 1352 and debit cash when the COP proceeds are received, along with a debit to GL Code 6514 Subobject JC with the offsetting credit to GL Code 3221 Revenue Source Code 0807.

85.85.45.a.(3) To record the first year COP debt service payment (principal and interest).

Operating Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PD - Principal COP Lease/Purchase Agreements	2,000	
Cash Expenditures/Expenses (6510) Subobject PE - Interest COP Lease/Purchase Agreements	600	
Cash in Bank (1110) or In-Process (71XX)		2,600

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Certificates of Participation (5173)	2,000	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		2,000

85.85.45.a.(4) At fiscal year-end for reporting purposes, to reclassify as short-term that portion of principal due within the next fiscal year. At fiscal year-end, the amount in GL Code 5173 should agree with the next year's principal payment on the agency's COP amortization schedule.

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Certificates of Participation Payable (5273)	2,200	
Certificates of Participation Payable (5173)		2,200

85.85.45.b **PROPRIETARY FUND TYPE ACCOUNTS (AGENCY ENTRIES)**

The following example is used to illustrate entries for **equipment certificates of participation** (COP) in a **budgeted proprietary** fund type account. Refer to Subsection 85.72.40.c.

An agency operating in a proprietary fund type account purchases a piece of equipment for $10,000, and finances it with a COP.

Details of the COP issue are:

- Par amount of $10,115,
- Original issue premium (OIP) of $10,
- Underwriter's discount (UD) of $50, and
- Costs of issuance (COI) of $75.

Details of the COP debt service are:

- 1st year $2,000 principal, $600 interest, and
- 2nd year $2,200 principal.

Note: The actual par value of the COP is slightly higher than the proceeds required by the agency to cover issue costs, such as costs of issuance (COI) and original issue discount (OID). OID results when the par of the COP is more than the purchase price. Original issue premium (OIP) results when the par of the COP is less than the purchase price. Discounts that are related to underwriters' fees are handled consistent with other issue costs. COI are generally included in the proceeds and paid separately by OST. OST provides agencies with a statement detailing this information. The agency is to include the financing costs as part of the cost of the asset that is capitalized and depreciated.

In proprietary fund type accounts, COP issue costs, such as COI and UD are expensed using GL Code 6510 "Cash Expenditures/Expenses" Subobject PC "Other Debt Costs."

If the OID or OIP is deemed material, it should be deferred using GL Code 1911 "Unamortized Discounts on Certificates of Participation" or GL Code 5920 "Unamortized Premiums on Certificates of Participation" respectively. The amount deferred should be amortized over the life of the COP using GL 6512 "Amortization Expense" Subobject WB "Amortization." If the OIP or OID is deemed immaterial, it should be recorded in the same manner as the other issuance costs.

All of these entries are made in the agency's **Operating Account**:

85.85.45.b.(1) To record the agency's purchase of equipment; the COP liability; the subsequent receipt of COP proceeds from OST; the elimination of the budgeted disbursement; and the capitalization of the equipment. When the COP is sold by OST, it becomes an obligation (liability) of the agency, even if the cash proceeds have not yet been received by the agency. The time period between the COP sale date and closing date is generally two weeks or less.

	Dr.	**Cr.**
Cash Expenditures/Expenses (6510) Subobject JC Furnishings and Equipment	10,000	
Cash in Bank (1110) or In-Process (71XX)		10,000
Due from Other Agency – OST (1354)	10,000	
Cash Expenditures/Expenses (6510) Subobject PC - Other Debt Costs *(UD + COI – OIP)**	115	
Certificates of Participation Payable (5173)		2,000
Certificates of Participation Payable (5273)		8,115

*If the COP had an OID instead of an OIP, the OID amount would be added to the UD and COI.

	Dr.	**Cr.**
Cash in Bank (1110) or In-Process (71XX)	10,000	
Due from Other Agency – OST (1354)		10,000
Furnishings and Equipment (2410)	10,115	
Expense Adjustment/Eliminations (GAAP) (6525) Subobject JC - Furnishings and Equipment		10,000
Expense Adjustment/Elimination (6525) Subobject PC – Other Debt Costs *(UD + COI - OIP)*		115

85.85.45.b.(2) To record the first year COP debt service payment (principal and interest) and the elimination of the budgeted principal expenditure.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PE – Interest COP Lease/Purchase Agreements	600	
Cash Expenditures/Expenses (6510) Subobject PD – Principal COP Lease/Purchase Agreements	2,000	
Cash in Bank (1110) or In-Process (71XX)		2,600

	Dr.	Cr.
Certificates of Participation Payable (5173)	2,000	
Expense Adjustment/Eliminations (GAAP) (6525) Subobject PD –Principal COP Lease/Purchase Agreements		2,000

85.85.45.b.(3) At fiscal year-end for reporting purposes, to reclassify as short-term that portion of principal due within the next fiscal year. At fiscal year-end, the amount in GL Code 5173 should agree with the next year's principal payment on the agency's COP amortization schedule.

	Dr.	Cr.
Certificates of Participation Payable (5273)	2,200	
Certificates of Participation Payable (5173)		2,200

85.85.45.c **OFFICE OF THE STATE TREASURER (AGENCY 010) ENTRIES**

Using the same example as in Subsection 85.85.45 above, an agency purchases a piece of equipment for $10,000, and finances it with a COP.

Details of the COP issue are:

- Par amount of $10,115,
- Original issue premium (OIP) of $10,
- Underwriter's discount (UD) of $50, and
- Costs of issuance (COI) of $75.

Details of the COP debt service are:

- 1st year $2,000 principal, $600 interest, and
- 2nd year $2,200 principal.

Note: The actual par value of the COP is slightly higher than the proceeds required by the agency to cover issue costs, such as the original issue discount (OID), the underwriter's discount (UD), and costs of issuance (COI). The COI is included in the proceeds but not the OID or the UD. While agency entries differ if the equipment is acquired by a governmental or proprietary fund type account, the OST entries are the same.

85.85.45.c.(1) To record the closing of the COP sale with the underwriter.

Certificates of Participation and Other Financing – State (Account 739):

	Dr.	Cr.
Receipts-In-Process (7110) *(Par +OIP - UD)*	10,075	
Cash Revenues (3210) Revenue Source Code (0499) Other Revenues (*COI*)		75
Due to Other Agency (5154)		10,000

85.85.45.c.(2) To distribute the COP proceeds to the state agency and pay the costs of issuance.

Certificates of Participation and Other Financing – State (Account 739):

	Dr.	Cr.
Due to Other Agency (5154)	10,000	
In-Process (71XX)		10,000
Accrued Expenditures/Expenses (6505) with appropriate subobject (*COI*)	75	
Accounts Payable (5111) *(COI)*		75
Cash Expenditures/Expenses (6510) (appropriate subobject) (*COI*)	75	
Accrued Expenditures/Expenses (6505) with appropriate subobject *(COI)*		75
Accounts Payable (5111) *(COI)*	75	
In-Process (71XX) *(COI)*		75

85.85.45.c.(3) To record the receipt of the first debt service payment from an agency**.**

Certificates of Participation and Other Financing – State (Account 739):

	Dr.	Cr.
In-Process (71XX)	2,600	
Due to Fiscal Agents (5130) (*principal and interest)*		2,600

Note: OST temporarily invests the payments received from agencies for 30 days until the debt service payment is due to the fiscal agent. This activity is recorded by transferring In-Process (71XX) in and out of the Local Government Investment Pool (1206).

85.85.45.c.(4) To record payment to the fiscal agent.

Certificates of Participation and Other Financing – State (Account 739):

	Dr.	Cr.
Due to Fiscal Agents (5130)	2,600	
In-Process (71XX)		2,600

85.85.50 Real Estate Certificates of Participation (COP)

June 1, 2013

85.85.50.a **GOVERNMENTAL FUND TYPE ACCOUNTS (AGENCY ENTRIES)**

The following example is used to illustrate entries for **real estate certificates of participation** (COP) in a **governmental** fund type account. Refer to Subsection 85.72.40.d.

An agency operating in a governmental fund type account obtains proper legislative approval for construction of a new state office building and applies to the Office of the State Treasurer (OST) for COP financing. OST sells a COP. Proceeds of the COP are used to pay for construction costs and interest incurred during the construction period.

Details of the COP issue are:

- Par amount of $73.6 million,
- Original issue premium (OIP) of $.7 million,
- Underwriter's discount (UD) of $.2 million,
- Costs of issuance (COI) of $.1 million,
- COP proceeds for construction $60 million,
- COP proceeds for interest costs $14 million, and
- Net COP proceeds held by OST for the agency $74 million ($60 million for construction costs and $14 million for construction period interest).

Note: Original issue discount (OID) results when the par of the COP is more than the purchase price. An OIP results when the par of the COP is less than the purchase price. Discounts that are related to underwriters' fees are handled consistent with other issue costs. COI are generally included in the proceeds and paid separately. OST receives cash proceeds for the COI, but not for the UD and the OID.

Details of the first year:

- $10 million is expended on construction,
- Debt service is $4 million, interest only, and
- Unspent construction funds earn $.8 million in interest revenue.

Unspent proceeds are held by OST and invested in the Local Government Investment Pool (LGIP) or with a trustee.

Note: Construction period interest is not capitalized in governmental fund type accounts.

85.85.50.a.(1) To record the liability for the real estate COP, and the original issue premium, underwriter's discount, and the expense of the costs of issuance (paid by OST). When the COP is sold by OST, it becomes an obligation (liability) of the agency, even if the cash proceeds have not yet been received by the agency. The time period between the COP sale date and the closing date is generally two weeks or less.

Construction Account:

	Dr.	**Cr.**
Due from Other Agency-OST (1354)	74 mil	
Capital Asset Acquisitions by Lease-Purchase Agreements or Certificates of Participation (6514) Subobject PC – Other Debt Costs *(UD + COI)*	.3 mil	
Other Financing Sources (3221) Revenue Source Code (0807) Certificates of Participation *(Par)*		73.6 mil
Other Financing Sources (3221) Revenue Source Code (0869) Original Issue Premium - COPs		.7 mil

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	**Cr.**
Amount to be Provided for Retirement of Long-Term Obligations (1820)	73.6 mil	
Certificates of Participation Payable (5273)		73.6 mil

Note: Because interest only is due during the construction period, the entire obligation is initially coded long-term.

85.85.50.a.(2) To record construction expenditures and reimbursement from OST.

Construction Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J – Capital Outlays	10 mil	
Cash in Bank (1110) or In-Process (71XX)		10 mil
Capital Asset Acquisitions by Lease -Purchase Agreements or Certificates of Participation (6514) Subobject JF -Buildings	10 mil	
Cash Expenditures/Expenses (6510) Object J – Capital Outlays		10 mil
Cash in Bank (1110) or In-Process (71XX)	10 mil	
Due from Other Agency-OST (1354)		10 mil

Note: If a COP has been authorized and construction project costs are incurred in one fiscal year but the COP is not issued until the subsequent year, agencies should debit a receivable, such as GL Code 1352 Due from Other Governments, and credit expenditures to GL Code 6510 in the year the project costs are initially incurred. When the COP is issued in the subsequent year, the agency should credit the GL Code 1352 and establish the GL Code 1354 from the OST.

85.85.50.a.(3) To record first year interest-only debt service payment. This payment is made by OST from the COP proceeds held by OST to cover interest expense during the construction period.

Construction Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PE – Interest COP Lease-Purchase Agreements	4 mil	
Due from Other Agency-OST (1354)		4 mil

85.85.50.a.(4) To recognize interest earned on unspent COP proceeds held by OST and reported to the agency monthly.

Construction Account:

	Dr.	Cr.
Due from Other Agency-OST (1354)	.8 mil	
Cash Revenues (3210) Revenue Source Code (0401) Investment Income		.8 mil

85.85.50.a.(5) To record an adjusting entry for construction in progress. At a minimum, this entry should be made at fiscal year-end. Construction in progress is equal to the sum of construction expenditures ($10 million) and COI and UD ($.3 million) less OIP ($.7 million).

General Capital Assets Subsidiary Account (Account 997):

	Dr.	Cr.
Construction in Progress (2510)	9.6 mil	
Investment in General Capital Assets (9850)		9.6 mil

85.85.50.a.(6) At fiscal year-end for reporting purposes, to reclassify as short-term that portion of principal due within the next fiscal year. At fiscal year-end (based on the assumptions in 85.85.50.a.(7)), the amount in GL Code 5173 Certificates of Participation Payable should agree with the next year's principal payment on the agency's COP amortization schedule.

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Certificates of Participation Payable (5273)	2 mil	
Certificates of Participation Payable (5173)		2 mil

85.85.50.a.(7) In a subsequent period, assume that a debt service payment is scheduled:

- Principal $2 million,
- Interest expense $3.5 million, and
- Total COP debt service payment $5.5 million.

Payment components:

- $2 million is paid by OST from the remaining COP proceeds held by OST to cover interest incurred during the construction period,
- $1.1 million is paid by OST from interest earned on COP proceeds held by OST during the construction period,
- $2.4 million is paid in cash by the agency to OST, and
- OST makes the full COP debt service payment of $5.5 million to the fiscal agent.

Refer to Subsection 85.85.50.c.(6).

Construction Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PD - Principal COP Lease-Purchase Agreements	2 mil	
Cash Expenditures/Expenses (6510) Subobject PE - Interest COP Lease-Purchase Agreements	3.5 mil	
Cash in Bank (1110) or In-Process (71XX)		2.4 mil
Due from Other Agency-OST (1354)		3.1 mil

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Certificates of Participation Payable (5173)	2 mil	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		2 mil

85.85.50.b **PROPRIETARY FUND TYPE ACCOUNTS (AGENCY ENTRIES)**

The following example is used to illustrate entries for **real estate** certificates of participation (COP) in a **budgeted proprietary** fund type account. Refer to Subsection 85.72.40.c.

An agency operating in a budgeted proprietary fund type account obtains proper legislative approval for construction of a new state office building and applies to the Office of the State Treasurer (OST) for COP financing. OST sells a COP. Proceeds of the COP are used for to pay for construction costs and interest incurred during the construction period.

Details of the issue are:

- Par amount of $73.6 million,
- Original issue premium (OIP) of $.7 million,
- Underwriter's discount (UD) of $.2 million,
- Costs of issuance (COI) of $.1 million,
- COP proceeds for construction $60 million,
- COP proceeds for interest costs $14 million, and
- Net COP proceeds held by OST for the agency $74 million ($60 million for construction costs and $14 million for construction period interest.

Note: Original issue discount (OID) results when the par of the COP is more than the purchase price. An OIP results when the par of the COP is less than the purchase price. Discounts that are related to underwriters' fees are handled consistent with other issue costs. COI are generally included in the proceeds and paid separately. OST receives cash proceeds for the COI, but not for the UD and the OID.

Details of the first year:

- $10 million is expended on construction,
- Debt service is $4 million, interest only, and
- Unspent COP proceeds earn $.8 million in interest revenue.

This example assumes that net construction period interest is material and is therefore capitalized, and that the OIP is immaterial, and therefore expensed. UD and COI are always expensed as issuance costs. (If the OIP had been deemed material, it would be deferred in GL Code 5920 "Unamortized Premiums on Certificates of Participation" and amortized over the life of the COP using GL 6512 "Amortization Expense" Subobject WB "Amortization").

Unspent proceeds are held by OST and invested in the Local Government Investment Pool (LGIP) or with a trustee.

Note: Construction period interest is not capitalized in internal service funds.

85.85.50.b.(1) To record the liability for the real estate COP, and the original issue premium, underwriter's discount, and the expense of the costs of issuance (paid by OST). When the COP is sold by OST, it becomes an obligation (liability) of the agency, even if the cash proceeds have not yet been received by the agency. The time period between the COP sale date and the closing date is generally two weeks or less.

Agency Operating/Construction Account:

	Dr.	**Cr.**
Due from Other Agency-OST (1354)	74 mil	
Cash Expenditures/Expenses (6510)		.4 mil
Subobject PC – Other Debt Costs *(UD + COI – OIP)**		
Certificates of Participation Payable (5273) *(Par)*		73.6 mil

*If the COP had an OID instead of an OIP, the OID amount would be added to the UD and COI.

Note: Because interest only is due during the construction period, the entire obligation is initially coded long-term.

85.85.50.b.(2) To record construction expenditures, reimbursement by OST, and elimination of budgeted expenditures.

Agency Operating/Construction Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Object J - Capital Outlays	10 mil	
Cash in Bank (1110) or In-Process (71XX)		10 mil
Cash in Bank (1110) or In-Process (71XX)	10 mil	
Due from Other Agency-OST (1354)		10 mil
Construction in Progress (2510)	9.6 mil	
Expense Adjustment/Elimination (6525) Subobject PC – Other Debt Costs *(UD + COI - OIP)*	.4 mil	
Expense Adjustment/Elimination (6525) Object J – Capital Outlays		10 mil

85.85.50.b.(3) To record interest earned on unspent COP proceeds held by OST and reported to the agency monthly.

Agency Operating/Construction Account:

	Dr.	Cr.
Due from Other Agency-OST (1354)	.8 mil	
Construction in Progress (2510)		.8 mil

85.85.50.b.(4) To record first year interest expense only debt service payment – this payment is made by OST from the proceeds held by OST to cover interest expense during the construction period.

Agency Operating/Construction Account:

	Dr.	Cr.
Construction in Progress (2510)	4 mil	
Due from Other Agency-OST (1354)		4 mil

Once the COP proceeds held by OST to cover interest expense during the construction period are expended, the interest payments will be paid by the agency to OST.

Additionally, once construction is completed the interest payment is no longer capitalized. The interest payment is charged to interest expense in GL Code 6510 Cash Expenditures, Subobject PE - Interest COP Lease-Purchase Agreements. Refer to Subsection 85.85.50.b.(5).

85.85.50.b.(5) At fiscal year-end for reporting purposes, to reclassify as short-term that portion of principal due within the next fiscal year. At fiscal year-end (based on the assumptions in 85.85.50.b.(6)), the amount in GL Code 5173 should agree with the next year's principal payment on the agency's COP amortization schedule.

Agency Operating/Construction Account:

	Dr.	Cr.
Certificates of Participation Payable (5273)	2 mil	
Certificates of Participation Payable (5173)		2 mil

85.85.50.b.(6) In a subsequent period, assume that a debt service payment is scheduled:

- Principal $2 million,
- Interest expense $3.5 million, and
- Total COP debt service payment $5.5 million.

Payment components:

- $2 million is paid by OST from the remaining COP proceeds held by OST to cover interest incurred during the construction period,
- $1.1 million is paid by OST from interest earned on the COP proceeds held by OST during the construction period,
- $2.4 million is paid in cash by the agency to OST,
- OST makes the full COP debt service payment of $5.5 million to the fiscal agent.

Refer to Subsection 85.85.50.c.(6).

Agency Operating/Construction Account:

	Dr.	Cr.
Cash Expenditures/Expenses (6510) Subobject PD – Principal COP Lease-Purchase Agreements	2 mil	
Cash Expenditures/Expenses (6510) Subobject PE - Interest COP Lease-Purchase Agreements	3.5 mil	
Cash in Bank (1110) or In-Process (71XX)		2.4 mil
Due from Other Agency – OST (1354)		3.1 mil
Certificates of Participation Payable (5173) Principal	2 mil	
Expense Adjustments/Elimination (6525) Subobject PD- Principal COP Lease-Purchase Agreements		2 mil

85.85.50.c **OFFICE OF THE STATE TREASURER (AGENCY 010) ENTRIES**

Using the same example as in Subsection 85.85.50 a and b above, an agency obtains proper legislative approval for the construction of a new state office building and applies to the Office of the State Treasurer (OST) for COP financing. OST sells a COP. Proceeds of the COP are used to pay for construction costs and interest incurred during the construction period.

Details of the issue are:

- Par amount of $73.6 million,
- Original issue premium (OIP) of $.7 million,
- Underwriter's discount (UD) of $.2 million,
- Costs of issuance (COI) of $.1 million,
- COP proceeds for construction $60 million, and
- COP proceeds for interest costs $14 million.

Note: Original issue discount (OID) results when the par of the COP is more than the purchase price. OIP results when the par of the COP is less than the purchase price. Discounts that are related to underwriters' fees are handled consistent with other issue costs. COI are generally included in the proceeds and paid separately. OST receives cash proceeds for the COI, but not for the UD and the OID.

Details of the first year:

- $10 million is expended on construction,
- Debt service is $4 million, interest expense only, and
- Unspent COP proceeds earn $.8 million in interest revenue.

The entries for OST are as follows:

All entries are made to Account 739 (Certificates of Participation and Other Financing Account - State):

85.85.50.c.(1) To record the closing of the COP sale with the underwriter, and investment of the proceeds in the LGIP. OST receives cash for the construction proceeds, the interest expense due during construction, and the costs of issuance.

	Dr.	Cr.
Receipts-In-Process (7110) (*Par + OIP – UD*)	74.1 mil	
Due to Other Agency (5154)		74 mil
Cash Revenue (3210) Revenue Source Code (0499) Other Revenues (*COI)*		.1 mil
Investments with Local Government Investment Pool (1206) or Cash and Investments with Escrow Agents and Trustees (1140)	74 mil	
In-Process (71XX)		74 mil

85.85.50.c.(2) To record payment of costs of issuance.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) with the appropriate Subobject	.1 mil	
In-Process (71XX)		.1 mil

85.85.50.c.(3) To record withdrawal from the LGIP (or trustee), and payment to the agency for construction costs incurred.

	Dr.	Cr.
Receipts-In-Process (7110)	10 mil	
Investments with Local Government Investment Pool (1206) or Cash and Investments with Escrow Agents and Trustees (1140)		10 mil
Due to Other Agency (5154)	10 mil	
In-Process (71XX)		10 mil

85.85.50.c.(4) To record interest earnings of $.8 million on unspent COP proceeds.

	Dr.	Cr.
Investments with LGIP (1206)	.8 mil	
Due to Other Agency (5154)		.8 mil

85.85.50.c.(5) To record the first debt service payment made to the fiscal agent by the OST on behalf of the agency. This first payment is made from the amount held by OST to cover interest expense during the construction period.

	Dr.	Cr.
In-Process (71XX)	4 mil	
Investments with Local Government Investment Pool (1206) or Cash and Investments with Escrow Agents and Trustees (1140)		4 mil
Due to Other Agency (5154)	4 mil	
Due to Fiscal Agent (5130)		4 mil
Due to Fiscal Agent (5130)	4 mil	
In-Process (71XX)		4 mil

85.85.50.c.(6) To record debt service in a subsequent period. OST receives a cash payment from an agency of $2.4 million and uses the remaining COP proceeds held to cover interest expense during the construction period of $2 million and the accumulated interest earned on the COP proceeds held on deposit of $1.1 to pay the total debt service of $5.5 million.

	Dr.	Cr.
In-Process (71XX)	2.4 mil	
Due to Fiscal Agent (5130)		2.4 mil
In-Process (71XX)	3.1 mil	
Investments with LGIP (1206)		3.1 mil
Due to Other Agency (5154)	3.1 mil	
Due to Fiscal Agent (5130)		3.1 mil
Due to Fiscal Agent (5130)	5.5 mil	
In-Process (71XX)		5.5 mil

85.85.52 Real Estate Certificates of Participation (COP) refunding

June 1, 2013

85.85.52.a **GOVERNMENTAL FUND TYPE ACCOUNTS (AGENCY ENTRIES)**

The following example is used to illustrate entries for an **advance refunding** of a real estate certificate of participation (COP) in a governmental fund type account. Refer to Section 85.72.40.f.

Details of the old (refunded) COP are:

- Principal balance $250,000, and
- Interest due $1,400.

Details of the new (refunding) COP are:

- Principal balance $239,000,
- Original issue premium (OIP) $15,000,
- Underwriter's discount (UD) $1,600,
- Costs of issuance (COI) $1,000, and
- Total reacquisition price $251,400 ($239,000 + 15,000 – 1,600 – 1,000).

85.85.52.a.(1) To record the liability for the new (refunding) COP, the original issue premium, underwriter's discount, and the expense of the costs of issuance (paid by OST), and the payment to the escrow agent bank. When the new COP is sold by OST, it becomes an obligation of the agency. An amount equal to the principal balance of the old (refunded) COP plus any interest due is sent to the escrow agent bank to refund the old COPs. When the old COP is refunded, it is no longer an obligation of the agency and it is removed from Account 999.

Operating Account:

	Dr.	Cr.
Cash Revenue (3210) Revenue Source Code (0850) Payments to Refunded COP Escrow Agents (par of old COPs and interest due on the old COPs)**	251,400	
Cash Revenue (3210) Revenue Source Code (0852) Underwriter's Discount/Costs of Issuance – Refunding COPs	2,600	
Cash Revenue (3210) Revenue Source Code (0854) Proceeds of Refunding COPs		239,000
Cash Revenue (3210) Revenue Source Code (0853) Original Issue Premium – Refunding COPs*		15,000

*If the COP had an Original Issue Discount (OID) instead of an OIP, Revenue Source Code 0851 "Original Issue Discount – Refunding COPs" would be debited.
If this was a **current refunding of a COP (instead of an advance refunding), the amount to be paid to the escrow agent would be recorded as an expenditure to subobject PA "Principal" and/or PB "Interest."

General Long-Term Obligations Subsidiary Account (Account 999):

	Dr.	Cr.
Certificates of Participation (5173/5273)	250,000	
Amount to be Provided for Retirement of Long-Term Obligations (1820)		250,000
Amount to be Provided for Retirement of Long-Term Obligations (1820)	239,000	
Certificates of Participation (5173/5273)		239,000

85.85.52.b **PROPRIETARY FUND TYPE ACCOUNTS (AGENCY ENTRIES)**

The following example is used to illustrate entries for an **advance refunding** of a real estate certificate of participation (COP) in a proprietary fund type account. Refer to Section 85.72.40.f.

Details of the old (refunded) COP issue are:

- Principal balance $251,000 (5 years remaining).

Details of the new (refunding) COP are:

- Principal balance $250,000 (10 years),
- Original issue premium (OIP) $10,000 (assume material),
- Underwriter's discount (UD) $2,600,
- Costs of issuance (COI) $2,400, and
- Total reacquisition price $255,000 ($250,000 +10,000 -2,600 – 2,400).

85.85.52.b.(1) To record the new (refunding) COP, the removal of the old (refunded) COP, and the deferred amount on the COP refunding.

Operating/Construction Account:

	Dr.	**Cr.**
COP (old) Payable (5173/5273)	251,000	
Cash Expenditures/Expenses (6510) Subobject PC - Other Debt Costs (UD + COI)	5,000	
Deferred Outflow on COP Refunding (1971)*	4,000	
COP (new) payable (5173/5273)		250,000
Unamortized Premiums on COPs Sold (5920)		10,000

*If the deferred amount was a credit, it would be recorded to GL Code 5266 "Deferred Inflow on COP Refunding."

85.85.52.b.(2) To record the annual amortization of the Deferred Outflow on the COP Refunding on a straight-line basis over 5 years (the remaining life of the old COP).

	Dr.	**Cr.**
Amortization Expense (6512) Subobject WB	800	
Deferred Outflow on COP Refunding (1971)		800

85.85.52.b.(3) To record the annual amortization of the original issue premium (OIP) on a straight-line basis over 10 years (the life of the new COP).

	Dr.	**Cr.**
Unamortized Premiums on COPs sold (5920)	1,000	
Amortization Expense (6512) Subobject WB		1,000

85.85.55 Vendor payment advances

July 1, 2003

To record vendor payment advance transactions. Refer to Subsection 85.74.10.

85.85.55.a **Initial Advance**

85.85.55.a.(1) To record the issuance of a vendor payment advance to the State Board for Community and Technical Colleges (SBCTC) or an individual college.
General Fund (Account 001):

	Dr.	Cr.
Due from Other Funds - Advances (1350) (with appropriate subsidiary)	xxx	
In-Process (71XX)		xxx

85.85.55.a.(2) To record the deposit of the vendor payment advance by the SBCTC or an individual college.

Institutions of Higher Education - Agency Account (Account 840):

	Dr.	Cr.
Cash in Bank (1110)	xxx	
Due to Other Funds - Advances (5150) (with appropriate subsidiary)		xxx

85.85.55.b Payment for Goods and Services and the Expenditure Recognition

85.85.55.b.(1) To record the payment to a vendor by the SBCTC or an individual college with the advance.

Institutions of Higher Education - Agency Account (Account 840):

	Dr.	Cr.
Due from Other Funds - Advances (1350) (with appropriate subsidiary)	xxx	
Cash in Bank (1110)		xxx

85.85.55.b.(2) To charge the General Fund for disbursements made from the vendor payment advance.

General Fund (Account 001):

	Dr.	Cr.
Accrued Expenditures/Expenses (6505)	xxx	
Due to Other Funds – Advances (5150) (with appropriate subsidiary)		xxx

85.85.55.c Reimbursement of Advance Account

85.85.55.c.(1) To record the reimbursement of the vendor payment advance.

General Fund (Account 001):

	Dr.	Cr.
Due to Other Funds – Advances (5150)	xxx	
Accrued Expenditures/Expenses (6505)		xxx
Cash Expenditures/Expenses (6510)	xxx	
In-Process (71XX)		xxx

85.85.55.c.(2) To record the deposit of reimbursement received by an individual college.

Institutions of Higher Education – Agency Account (Account 840):

	Dr.	Cr.
Cash in Bank (1110)	xxx	
Due from Other Funds – Advances (1350)		xxx

85.85.55.d Close of Advance Account and Return Outstanding Balance – Early in New Biennium

85.85.55.d.(1) To close the vendor payment advance at the close of the biennium. Example assumes June expenditures against the advance were less the initial advance.

Institutions of Higher Education – Agency Account (Account 840):

	Dr.	Cr.
Due to Other Funds – Advances (5150)	xxx*	
Due from Other Funds – Advances (1350)		xxx*
Due to Other Funds – Advances (1350)	xxx	
Cash in Bank (1110)		xxx

*Amount of the initial advance.

85.85.55.d.(2) To record the transmittal to the Office of the State Treasurer of the outstanding cash balance in the vendor payment advance.

General Fund (Account 001):

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Due from Other Funds – Advances (1350)		xxx

85.85.60 Retention of payments

July 1, 2012

To record entries related to payments on public works contracts including retained percentages. Refer to Subsection 85.74.20.

85.85.60.a **Payment to Contractor**

To record the amount paid to the contractor on a progress billing.

	Dr.	Cr.
Cash Expenditures/Expenses (6510)	xxx	
In-Process (71XX) or		
Cash in Bank (1110)		xxx

85.85.60.b **Retained in State Account**

To record the amount retained by the state, in a treasury/treasury trust or local account, from a progress billing.

	Dr.	Cr.
Cash Expenditures/Expenses (6510)	xxx	
Retained Percentages Payable (5116)		xxx

85.85.60.c **Payment of Amounts Retained in State Account**

To record the payment of amounts retained by the state in a treasury/treasury trust or local account.

	Dr.	Cr.
Retained Percentages Payable (5116)	xxx	
In-Process (71XX) or		
Cash in Bank (1110)		xxx

85.85.60.d **Retained in Escrow or Interest Bearing Account**

To record the amount of retained percentages placed in escrow or in an interest bearing account from a progress billing.

	Dr.	Cr.
Cash Expenditures/Expenses (6510)	xxx	
In-Process (71XX) or		
Cash in Bank (1110)		xxx
Cash and Investments with Escrow Agents and Trustees (1140)	xxx	
Retained Percentages Payable (5116)		xxx

85.85.60.e **Payment of Amounts Retained in Escrow or an Interest Bearing Account**

To record the payment of amounts retained in escrow or in an interest bearing account.

	Dr.	Cr.
Retained Percentages Payable (5116)	xxx	
Cash and Investments with Escrow Agents and Trustees (1140)		xxx

85.85.65 Claims and judgments

July 1, 2001

This illustrative entry of a claims liability displays the accrual of a dispute with the federal government over questioned program costs when it is probable that the state will be required to refund federal revenue. Refer to Subsection 85.74.40.

Note: The second entry is made to reverse activity previously coded as federal, which is now supported by state funds.

	Dr.	Cr.
Cash Revenues (3210) Federal Source Code (03XX)	xxx	
Claims and Judgments Payable (5113)		xxx
Cash Expenditures/Expenses (6510) Subobject (XX) (using a state appropriation)	xxx	
Cash Expenditures/Expenses (6510) Subobject (XX) (using a federal appropriation)		xxx

85.90
Interfund/Interagency Activities

85.90.10 Interfund/interagency activities

July 1, 2008

There are two major categories of interfund/interagency activities: reciprocal and nonreciprocal.

Reciprocal interfund/interagency activity is the internal counterpart to exchange and exchange-like transactions. It includes interfund loans (refer to Subsection 85.90.20), and interfund services provided and used (refer to Subsection 85.90.30).

Nonreciprocal interfund/interagency activity is nonexchange in nature. It includes interfund transfers (refer to Subsection 85.90.50), and reimbursements (refer to Subsection 85.90.60).

For information on paying interfund/interagency billings, refer to Subsection 85.36.20.

85.90.20 Interfund loans

July 1, 2001

Interfund loans are reciprocal in nature. They are amounts provided with a requirement for repayment within a reasonable time. Interfund loans are reported as interfund receivables ("due from") in lending funds and interfund payables ("due to") in borrowing funds. Loans due within one year should be classified as short-term and loans due beyond a year should be classified as long-term. Refer to Subsection 85.54.30.

85.90.30 Interfund/interagency services provided and used

January 1, 2012

Interfund/interagency services provided and used are also reciprocal in nature. They were previously termed "quasi-external transactions." Interfund/interagency services provided and used are transactions within the state that are similar to and reported as though they had occurred with organizations external to the state. Interfund/interagency services provided and used are to be accounted for consistently by the accounts involved.

At the end of each fiscal period, any unpaid or unsettled amounts are reported as either interagency or interfund receivables and payables. Refer to Subsection 85.95.40 for illustrative entries.

To record interfund/interagency services provided and used, the paying agency records an expenditure/expense using an appropriate object of expenditure. The receiving agency records revenue using either Revenue Source Code 0420 "Charges for Services," 0450 "Sales of Goods and Supplies - Proprietary Funds," or another appropriate revenue source code. Interfund/interagency services provided and used are budgeted and accounted for in this manner.

The following are examples of interfund/interagency services provided and used:

- Internal service fund billings for goods or services, such as mail services from the Department of Enterprise Services and legal services provided by the Office of the Attorney General. Refer to Subsection 85.90.40.

- Routine employer contributions from operating accounts to a pension trust fund.

- Routine service charges for inspection, engineering, utilities, or similar services provided by one account/agency to another.

85.90.40 Payment procedures for selected central services agency charges

June 1, 2016

85.90.40.a The following are selected central services agencies which require the use of unique object codes by the paying agency. A listing of services provided is as follows:

- **Office of the Secretary of State** - Archives, records storage, and microfilm services.

- **Office of the State Auditor** - Auditing services.

- **Office of the Attorney General** - Legal services.

- **Department of Enterprise Services** - Statewide financial and payroll systems, office space, janitorial services, utilities, buildings and grounds maintenance, campus delivery and mail service, parking, motor pool, procurement, mainframe print services, web services, secure file services, risk management, printing, small agency budgeting/accounting/human resources/payroll services, and personnel services for general government classified employees.

- **Office of Administrative Hearings** - Administrative hearings examiner services.

- **Office of Financial Management** - Personnel services for state agency classified employees, higher education classified employees, and Statewide Accounting, Budgeting, and Forecasting.

- **Office of Minority and Women's Business Enterprises (OMWBE)** - Certification of minority business enterprises, socially and economically disadvantaged business enterprises, and women's business enterprises statewide.

- **Consolidated Technology Services** - Computer and telecommunication services.

85.90.40.b The following object codes and payment schedules are to be used by the paying agency for transactions with selected central services agencies:

CENTRAL SERVICE AGENCY			PAYING AGENCY	
Agency No. and Name	**Account**	**Revenue Source Code**	**Object Code**	**Billing/Payment Schedule**
(085) Office of the Secretary of State				
Archives and Records Management	006	0420	EW	Billed quarterly in advance (July, October, January, and April).
Microfilm Services	006	0428	EW	Monthly actuals billed after month end.
(095) Office of the State Auditor	483	0420	ET	Monthly actual time and expenses billed after month end for accountability and whistleblower audits. CAFR and statewide single audits billed quarterly for actual time and expense.
(100) Office of the Attorney General	405	0420	EM	Monthly actuals for billable staff time and direct litigation costs are billed by the end of the following month.

CENTRAL SERVICE AGENCY			PAYING AGENCY	
Agency No. and Name	**Account**	**Revenue Source Code**	**Object Code**	**Billing/Payment Schedule**
(105) Office of Financial Management				
Personnel Services – State agencies other than higher education	415	0420	EN	July, October, January and April (Quarterly billings in advance based on classified salaries.
Labor Relations	436	0420	EN	July, October, January and April (Quarterly billings in advance) based on .1% of salaries of employees covered by a bargaining unit.
TLA Debt Payment	466	0499	EL	Billed quarterly based on budgeted FTEs.
Core Financials System Replacement	466	0420	EL	Billed quarterly based on budgeted FTEs.
Personnel Services - Higher Education	455	0420	EN	July, October, January and April (Quarterly billings in advance) based on classified salaries.
Statewide Accounting, Budgeting, and Forecasting	468	0420	EZ	Billed quarterly based on budgeted FTEs.
(110) Office of Administrative Hearings	484	0420	EV	Monthly actuals for billable staff time are billed by the end of the following month.
(147) OMWBE	453	n/a	n/a	Covered by vendor-paid contract management fee assessed on all contracts managed within DES Contracts and Legal Division.
(163) Consolidated Technology Services				
Computer Services	458	0420	EL	Monthly actuals billed after month end.
State Data Center Allocation	458	0499	EL	Billed monthly based on budgeted IT expenses.
Telecommunications Services	458	0420	EB	Monthly actuals billed after month end.
HRMS Production Support	472	0420	EL	Annual invoice.
Enterprise Systems Fee	472	0420	EL	Billed monthly based on budgeted FTEs.
Access Washington	461	0420	EL	Billed monthly based on budgeted FTEs.
Geospatial Portal	461	0420	EL	Weighted Factor 4-part index (portal downloads, number of GIS staff, agency FTEs, annual ESRI maintenance costs).
OCIO	458	0420	EL	Billed monthly based on budgeted FTEs in IT job classifications.
(179) Dept. of Enterprise Services				
Parking Services	045	0402	EK	Prepaid, and billed monthly, quarterly and annually.
Engineering and Architectural Services	057	n/a	JK	Varies by agency.
Capital Campus Maintenance and Operations	422	0420	EK	Billed monthly following services performed.

CENTRAL SERVICE AGENCY			PAYING AGENCY	
Agency No. and Name	**Account**	**Revenue Source Code**	**Object Code**	**Billing/Payment Schedule**
Capital Campus Utilities and Fixed Priced Contracts	422	0420	EK	Billed monthly following services performed.
Consolidated Mail Services	422	0420	EK	Outgoing mail monthly actuals billed after month end; Incoming/Campus mail billed according to agencies' agreements.
Facilities & Services (Seat of Government)	422	0420	EK	Billed monthly based on budgeted FTEs located in Thurston County.
Facilities Engineering Services	422	0420	EK	Invoiced upon completion of service.
Federal and State Surplus	422	0420	JA/JC	Invoiced upon purchase.
Motor Pool	422	0402	GN	Monthly actuals billed after month end.
Personnel Services - State agencies other than higher education	422	0420	EN	Billed monthly based on budgeted FTEs. Separate training fees continue to apply.
Printing Services	422	0450	EF	Billed following services performed.
Production Services	422	0420	EL	Monthly actuals billed after month end.
Property Management	422	0402	ED	Rent billed monthly at month end.
Purchasing Administration Fee	422	n/a	n/a	Covered by vendor-paid contract management fee assessed on all contracts managed within DES Contracts and Legal Division.
Small Agency Financial Services	422	0420	ER	Billed monthly based on budgeted formula.
Small Agency Human Resource Services	422	0420	ER	Billed monthly based on budgeted FTEs.
Risk Management Administration	546	0420	EP	Administration costs billed monthly based on formula. Commercial insurance costs billed as purchased.
Self-Insurance Liability Premiums	547	0496	EP	Billed annually at the beginning of the fiscal year.

85.90.40.c Unless otherwise provided above, central service agencies are to present invoices for payment to receiving agencies within 15 calendar days after the end of each billing period. However, at fiscal year-end, all bills (actual and estimates) are to be invoiced per the current fiscal year closing calendar in Subsection 90.20.05.

85.90.40.d When problems arise with the collection of interagency receivables, the following steps are to be taken:

1. The interagency receivables/payables personnel are to contact each other to resolve the problems.
2. If (1) fails, the accounting chiefs are to contact each other to find a resolution.
3. If (2) fails, the agencies are to contact their assigned OFM Accounting Consultants.

85.90.50 Transfers

July 1, 2008

85.90.50.a Transfers are nonreciprocal in nature. Transfers of equity, formerly known as residual equity transfers, are non-recurring, non-routine transfers of equity between accounts. Two examples of equity transfers are contributions to or return of contributions from proprietary fund type accounts and transfer of residual equity balances from discontinued accounts.

Transfers of equity are generally infrequent. The key to identifying equity transfers is their non-recurring or non-routine nature. If transactions are recurring or routine, particularly if they involve a subsidy relationship, they are reported as operating transfers. Refer to Subsection 85.90.50.b.

Equity transfers are recorded in governmental fund type accounts using Revenue Source Codes 0678 “Equity Transfers In” or 0679 “Equity Transfers Out.” Equity transfers in proprietary fund type accounts are recorded to Revenue Source Code 0820 “Capital Contributions.” Refer to Subsection 85.95.20 for illustrative entries.

All equity transfers are to be in balance at the agency level, except for the following:

- Transfers to/from subsidiary accounts, and
- Transfers between state agencies.

85.90.50.b Operating transfers include the following:

- Transfers from accounts required by statute to collect resources to accounts legally authorized to expend them,
- Transfers of resources designated for debt service from the accounts collecting the receipts to the debt service accounts that will make the debt service payments,
- Transfers of unrestricted revenues collected in the General Fund to finance various programs accounted for in other accounts in accordance with budgetary authorization,
- Operating and equity transfers as required by law, and
- Transfers of profits from certain enterprise activities (Liquor and Lottery) to other accounts as required by law.

Operating transfers are recorded as expenditures using Object M or as revenues using the 06XX revenue source codes. Refer to Section 75.80 for a listing and description of all transfer revenue source codes. Refer to Subsection 85.95.30 for illustrative entries.

Operating transfers net to zero at the agency level.

85.90.50.c Special budgeted allocations generally give agencies additional spending authority, but no additional cash is provided for federal, private/local or dedicated operating accounts. Two examples of these budgeted, noncash allocations are the Salary and Insurance Contribution Increase Allocation and the Special Retirement Contribution Increase Allocation. An expenditure transfer is required for the General Fund – State account allocation. Two transfer transactions – one for the expenditure transfer and one for the revenue transfer – out of the operating account and into the allocation account are required for the federal, private/local and dedicated operating account allocations. Refer to Subsection 85.95.35 for an illustrative entry.

85.90.50.d In governmental fund type accounts, transfers are reported as other financing uses in the funds making the transfers and as other financing sources in the funds receiving the transfers. In proprietary funds, transfers are reported in a separate section below nonoperating revenues and expenses.

In instances where transfers are appropriated as expenditures, GAAP and budgetary accounting treatments will differ. For budgetary reporting, appropriated operating transfers are considered "expenditures," while for GAAP reporting purposes, as noted above, they are considered other financing uses.

85.90.60 Reimbursements (Objects S & T)

July 1, 2009

Reimbursements are recorded when one agency and/or account initially charges an expenditure/expense that is subsequently charged to another. Generally, the reimbursement is recorded as an expenditure/expense in the reimbursing account and as a reduction of a corresponding expenditure/expense in the reimbursed account. Accounting for reimbursements in this manner results in the expenditure/expense being reported only once and in the proper account. Reimbursements are to be appropriately documented and approved.

Reimbursement reporting is to be used only in circumstances as described above. It is not to be used for interfund loans, interfund transfers, or other interfund activities. Additionally, payments received by proprietary funds for goods and services are normally recorded as revenue with appropriate revenue source codes rather than as reimbursements.

As described below, reimbursements are coded with Object S or Object T. The subobject coding should reflect the object of expenditure being offset with the reimbursement, except Subobject JA “Noncapitalized Assets” and Subobject JB “Noncapitalized Software” which are coded to Subobjects SE and TE. Although Subobjects SZ and TZ “Unidentified” are available for use, it is preferable that an agency allocates charges to the appropriate subobject of expenditure within Objects S and T on a monthly basis.

Reimbursements are classified into two types:

85.90.60.a **Intra-agency reimbursements (Object T) -** Intra-agency reimbursements are used to charge for services or supplies provided by one account to another and to distribute administrative overhead charges. In accounting for intra-agency reimbursement transactions, the reimbursed account other than a non-budgeted proprietary type account is to credit expenditures using Object T. The reimbursing account is to account for intra-agency materials supplied or services rendered as Object T and the appropriate subobject.

Intra-agency reimbursements are to be used to record special budgeted allocations involving Accounts 239 “Tort Defense Service Revolving Account,” 406 “Salary and Insurance Increase Revolving Account,” 426 "Digital Government Revolving Account," and 427 “Special Account Retirement Contribution Increase Revolving Account.” Refer to Subsection 85.90.50.c.

Agencies may request a waiver from complying with specific requirements of this section. The request is to be in writing and be approved in writing by OFM before the waiver takes effect. Waivers automatically expire at the end of the fiscal biennium for which they were granted and are to be re-approved in writing to remain in force.

85.90.60.a.(1) **Accounts other than non-budgeted proprietary fund type accounts**

All accounts other than non-budgeted proprietary fund type accounts are to use Object T transfers to record intra-agency transfers between said accounts. Reimbursements to accounts for expenditures/expenses initially made from it which are properly applicable to another account are to be recorded as a credit to expenditures/expenses using Object T. The reimbursing account other than a non-budgeted proprietary fund type account is to debit expenditures/expenses using Object T.

When transfers of salaries are made with Subobject TA, the FTEs are to remain with the original Object A expenditure.

The total for Object T transfers at the subobject level is to equal zero for all accounts within a fiscal year except as noted below for GL Code 6525 transfers and for non-budgeted proprietary fund type accounts. Refer to Subsection 85.95.50.a and b for illustrative entries.

Intra-agency reimbursements received by **budgeted** proprietary fund type accounts are recorded as credits to expense using Object T. Therefore, an additional entry is necessary to adjust to proper GAAP accounting. The GAAP adjustment debits GL Code 6525 “Expense Adjustments/Eliminations (GAAP),” using Object T with the appropriate subobject, and credits GL Code 3225 “Revenue Adjustments/Eliminations (GAAP)” with the appropriate revenue source code. Only in the case of GL Code 6525 transfers is there no corresponding Object T offset. Refer to Subsection 85.95.50.c for an illustrative entry.

85.90.60.a.(2) **Non-budgeted proprietary fund type accounts**

For non-budgeted proprietary fund type accounts (excluding Accounts 443 and 505 which are subject to (1) above), reimbursements are not coded as credits to expenses using Object T. They are coded directly to revenue with appropriate revenue source codes. Refer to Subsection 85.95.50.d for an illustrative entry.

85.90.60.b **Interagency reimbursements (Object S) -** All transactions between state agencies are to be properly accounted for as prescribed in Chapter 39.34 RCW.

The following procedures are to be followed in those instances where a **budgeted account** or **certain account used by higher education agencies** – Accounts 143, 145, 147, 148, 149, 443, and 505 which are included with budgeted accounts for purposes of this section – provides goods or services to another agency:

85.90.60.b.(1) In accounting for interagency reimbursement transactions, the reimbursed agency is to credit expenditures/expenses using Object S – Interagency Reimbursements. The reimbursing agency is to account for expenditures for interagency materials supplied or services rendered as though they were purchased from an outside vendor. Refer to Subsection 85.95.60.a and b of this manual for illustrative entries.

Note: In **budgeted** accounts, interagency reimbursements are **not** to be recorded as revenue or as recovery of current appropriation expenditures using Revenue Source Code 0902 "Recoveries of Current Expenditure Authority Expenditures." Refer to Subsection 85.95.60.a and b for illustrative entries.

85.90.60.b.(2) The amounts billed to other agencies and uncollected at the end of the month and work in process costs not billed at the end of the month are to be recorded as a credit to the appropriate GL Code Series 65XX "Expenditures/Expenses" with Object S and a debit to GL Code 1354 "Due from Other Agencies."

85.90.60.b.(3) For GAAP reporting purposes, payments to **budgeted** proprietary fund type accounts should be recorded as revenues with appropriate revenue source codes. However, as discussed above, interagency reimbursements to budgeted proprietary fund type accounts are recorded as credits to expense (Object S). Therefore, an additional entry is necessary to adjust to proper GAAP accounting.

The GAAP adjustment debits GL Code 6525 "Expense Adjustments/ Eliminations (GAAP)," using Object S with the appropriate subobject and credits GL Code 3225 "Revenue Adjustments/Eliminations (GAAP)" with the appropriate revenue source code. Refer to Subsection 85.95.60.c for an illustrative entry.

For **non-budgeted** proprietary fund type accounts (excluding Accounts 443 and 505 which are subject to (1) above), interagency reimbursements are not coded as credits to expenses (Object S). They are coded directly to revenue with appropriate revenue source codes. Refer to Subsection 85.95.60.d for an illustrative entry.

85.90.60.c Agencies are to establish procedures to ensure timely, accurate, and cost effective payment of obligations to agencies. Refer to Subsection 85.36 for information on payment methods.

Special attention by all agencies is to be given to the following:

Due Dates - Dates for payments are established by the terms of contracts between the state agencies. If the contract is silent concerning terms or there is no written contract, 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.** Agency payments are to be made by the due date.

Combined Payments - The number of payments to an agency are to be kept to a minimum by processing the maximum number of invoices with a single payment.

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 agency of a properly completed invoice or in accordance with contract terms covering the partial delivery.

Disputes - Prompt and proper notification to an agency 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 corrected. Proper authorization is required when material changes are made.

Records - Billings are to reflect the cost of labor, material, and overhead. Records are to be maintained by the vendor agency that provides complete cost billing information and also an audit trail for post auditing. Source documentation should be made available, upon request, for review by the billed agency.

When problems arise with the collection of interagency receivables**,** agencies are to follow the steps in Subsection 85.90.40.d.

Vendor agencies are not to request or require advances from receiving agencies unless the advance was approved in writing by the OFM Director or authorized designee (RCW 39.34.150).

Refer to Section 90.20 for additional requirements applicable to fiscal year end cutoff.

Refer to Subsection 85.90.30 for discussion of interfund services provided and used and Subsection 85.90.50 for transfers.

85.90.70 Agency vendor payment revolving account charges

July 1, 2001

85.90.70.a Account 720 "Agency Vendor Payment Revolving Account" may be used by agencies (RCW 42.26), with the approval of OFM, for the payment of goods or services which are payable from monies other than those maintained in the Office of the State Treasurer.

85.90.70.b Use of Account 720 by agencies is to be authorized in writing by the Director of OFM or authorized designee.

85.90.70.c Amounts disbursed from Account 720 must be from amounts previously deposited by the agency using the account. These deposits must be from **local accounts** which are properly chargeable with the disbursement. **Amounts to cover disbursements must be deposited prior to actual disbursement.** Refer to Subsection 85.95.70 for illustrative entries.

85.90.70.d All amounts accruing to Account 720 as a result of the cancellation of warrants are to be re-deposited in the agency's appropriate local account.

85.90.70.e Only the following accounts are to be maintained in the general ledger of Account 720: GL Codes 4310 “Current Treasury Cash Activity (OST Only),” 4325 “Beginning Treasury Cash Balance - Agency Funds,” 5199 “Other Liabilities,” and the 71XX “In-Process” Series. Subsidiary ledgers are not required. Refer to Subsection 85.95.70 for illustrative entries.

85.95 Interfund/Interagency Activities - Illustrative Entries

85.95.10 These entries are for illustrative purposes

July 1, 2001

The situations in this section illustrate the accounting treatment of some typical interfund/interagency activities. These entries are for illustrative purposes **only** and should **not** be considered all-inclusive. Entries posted to GL Code Series 71XX "In-Process" in treasury and treasury trust accounts also require an entry from the Office of the State Treasurer as illustrated below to clear the GL In-Process codes.

	Dr.	Cr.
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST Only) (4310)		xxx

The entry would be reversed for In-Process debit amounts.

85.95.20 Transfers of equity

July 1, 2003

To record the transfer of a fund balance from a discontinued local account to the General Fund. For purposes of this example, assume there is cash as well as outstanding receivables and payables in the discontinued account and that the discontinued account is a governmental fund type account. Refer to Subsection 85.90.50.a.

Discontinued Account:

	Dr.	Cr.
Payables - Short-Term (51XX)	xxx	
Cash Revenue (3210) or Noncash Revenue (3220)	xxx	
Revenue Source Code (0679) Equity Transfers Out		
Cash In Bank (1110)		xxx
Receivables - Short-Term (13XX)		xxx

General Fund (001):

	Dr.	Cr.
In-Process (71XX)	xxx	
Receivables - Short-Term (13XX)	xxx	
Payables - Short-Term (51XX)		xxx
Cash Revenue (3210) or Noncash Revenue (3220) Revenue Source Code (0678) Equity Transfers In		xxx

85.95.30 Operating transfers

July 1, 2003

85.95.30.a To record an operating transfer in. Refer to Subsection 85.90.50.b.

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX))	xxx	
Cash Revenue (3210) Revenue Source Code (0621) Operating Transfers In		xxx

85.95.30.b To record an operating transfer out. Refer to Subsection 85.90.50.b.

	Dr.	Cr.
Cash Revenue (3210) Revenue Source Code (0622) Operating Transfers Out	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.95.35 Special budgeted allocation transfers

July 1, 2008

85.95.35.a To record a special budgeted allocation transfer for an increase allocation to either the Salary and Insurance Increase Revolving Account (Account 406) or the Special Account Retirement Contribution Increase Revolving Account (Account 427). In this entry, the original disbursement was recorded as a cash expenditure to Object A or B in the agency's operating account. Refer to Subsection 85.90.50.c.

Allocation Account:

	Dr.	Cr.
Cash Expenditure (6510) Subobjects TA and/or TB	xxx	
Current Period Clearing Account (9920)		xxx
Current Period Clearing Account (9920)	xxx	
Cash Revenues (3210) Revenue Source Code (0626*)		xxx

Operating Account (other than General Fund):

	Dr.	Cr.
Current Period Clearing Account (9920)	xxx	
Cash Expenditure (6510) Subobjects TA and/or TB		xxx
Cash Revenues (3210) Revenue Source Code (0626*)	xxx	
Current Period Clearing Account (9920)		xxx

*The Revenue Source Code would be 03XX for federal or 05XX for private/local when non-state expenditure authority is involved.

Note: This is an in-house noncash journal voucher entry only. Do not send it to the Office of the State Treasurer. Entries are reversed for a negative allocation.

85.95.35.b Special allocation accounts are not used for allocations in the General Fund. Instead, the allocation is made through an allocation expenditure authority.

General Fund:	Dr.	Cr.
Current Period Clearing Account (9920)	xxx	
Cash Expenditure (6510 Operating Expenditure Authority) Subobjects TA and TB		xxx
Cash Expenditure (6510 Allocation Expenditure Authority) Subobjects TA and TB	xxx	
Current Period Clearing Account (9920)		xxx

85.95.40 Interfund/interagency services provided and used

July 1, 2008

85.95.40.a To record amounts billed for goods and services delivered to another agency or account. Refer to Subsection 85.90.30.

	Dr.	Cr.
Due From Other Agencies (1354) or Due From Other Funds (1353)	xxx	
Revenue (32XX) (with appropriate revenue source code)		xxx

85.95.40.b To record receipt of amount previously billed for goods and services delivered to another agency or account. Refer to Subsection 85.90.30.

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Due From Other Agencies (1354) or Due From Other Funds (1353)		xxx

85.95.40.c To record liability for goods and services rendered by another agency or account. Refer to Subsection 85.90.30.

	Dr.	Cr.
Expenditures/Expense (65XX) (with appropriate sub-object)	xxx	
Due To Other Agencies (5154) or Due To Other Funds (5153)		xxx

85.95.40.d To record disbursement of amount previously booked as liability for goods and services rendered by another agency or account. Refer to Subsection 85.90.30.

	Dr.	Cr.
Due To Other Agencies (5154) or Due To Other Funds (5153)	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.95.50 Intra-agency reimbursements (Object T)

July 1, 2008

85.95.50.a To record amounts **received** by an account **other than a non-budgeted proprietary fund type accoun**t from another account to reimburse for goods and services rendered on behalf of the reimbursing account. Refer to Subsection 85.90.60.a.(1).

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Expenditures/Expenses (65XX) Object T		xxx

85.95.50.b To record amounts **paid** by one account to another account to reimburse for goods and services rendered on behalf of the reimbursing account. Refer to Subsection 85.90.60.a.(1).

	Dr.	Cr.
Expenditures/Expenses (65XX) Object T	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.95.50.c The additional entry needed for an Object T reimbursements **received** by a **budgeted proprietary fund type account** to meet GAAP reporting requirements. Refer to Subsection 85.90.60.a.(1).

	Dr.	Cr.
Expense Adjustment/Eliminations (GAAP) (6525) Object T	xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) Revenue Source Code (as appropriate)		xxx

85.95.50.d To record an intra-agency reimbursement **received** by a **non-budgeted proprietary fund type account**. Refer to Subsection 85.90.60.a.(2).

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Cash Revenues (3210) Revenue Source Code (0420) Charges for Services		xxx

85.95.60 Interagency reimbursements (Object S)

July 1, 2008

85.95.60.a To record amounts **received** by an account **other than a non-budgeted proprietary fund type account** in one agency from another agency to reimburse for goods and services rendered on behalf of the reimbursing agency. Refer to Subsection 85.90.60.b.(1).

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Expenditures/Expenses (65XX) Object S		xxx

85.95.60.b To record amounts **paid** by one agency to another agency to reimburse for goods and services rendered on behalf of the reimbursing agency. Refer to Subsection 85.90.60.b.(1).

	Dr.	Cr.
Expenditures/Expenses (65XX) Object E	xxx	
Cash in Bank (1110) or In-Process (71XX)		xxx

85.95.60.c The additional entry needed for Object S reimbursements to a **budgeted proprietary fund type account** to meet GAAP reporting requirements. Refer to Subsection 85.90.60.b.(3).

	Dr.	Cr.
Expense Adjustments/Eliminations (GAAP) (6525) Object S	xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) Revenue Source Code (as appropriate)		xxx

85.95.60.d To record an interagency reimbursement **received** by a **non-budgeted proprietary fund type account**. Refer to Subsection 85.90.60.b.(3).

	Dr.	Cr.
Cash in Bank (1110) or In-Process (71XX)	xxx	
Cash Revenues (3210) Revenue Source Code (0420) Charges for Services		xxx

85.95.70 Agency vendor payment revolving account

July 1, 2001

85.95.70.a To record deposits of monies in the Agency Vendor Payment Revolving Account. Refer to Subsection 85.90.70.

Operating Account:

	Dr.	Cr.
Expenditures/Expenses (65XX) (with appropriate sub-object)	xxx	
Cash in Bank (1110)		xxx

Agency Vendor Payment Revolving Account (720):

	Dr.	Cr.
Receipts In-Process (7110)	xxx	
Other Liabilities (5199)		xxx

85.95.70.b To record disbursements from the Agency Vendor Payment Revolving Account. Refer to Subsection 85.90.70.

Agency Vendor Payment Revolving Account (720):

	Dr.	Cr.
Other Liabilities (5199)	xxx	
In-Process (71XX)		xxx

Chapter 90 - State Reporting

90.10 General State Reporting Policies

90.10.10	Purpose and scope of these policies	June 1, 2016
90.10.20	Authority for these policies	June 1, 2016
90.10.30	Applicability	June 1, 2016
90.10.40	Using the Agency Financial Reporting System (AFRS) - roles and responsibilities	June 1, 2016
90.10.50	Some agencies have component unit reporting requirements	June 1, 2016
90.10.60	Agency prepared reports must reconcile with AFRS and the CAFR	June 1, 2016
90.10.70	Agencies must comply with reporting due dates	June 1, 2016

90.20 Fiscal Year-End Cut-Off Procedures

90.20.05	Introduction	June 1, 2016
90.20.10	Cash cut-off date and policies	June 1, 2016
90.20.15	Prior period adjustments and corrections	June 1, 2016
90.20.20	Revenue recognition	June 1, 2016
90.20.25	Expenditure/expense recognition	June 1, 2016
90.20.30	Expenditure/expense accruals for single year operating expenditure authority - mid-biennium	June 1, 2016
90.20.35	Expenditure/expense accruals for biennial expenditure authority - mid-biennium	June 1, 2016
90.20.40	Expenditure/expense accruals - end of biennium	June 1, 2016
90.20.45	Unliquidated estimated accrued expenditures/expenses – immaterial prior period adjustments	June 1, 2016
90.20.47	Shortages in estimated accrued expenditures/expenses in appropriated accounts – belated claims	June 1, 2016
90.20.50	Interagency accruals	June 1, 2016
90.20.55	Accounting estimates	June 1, 2016
90.20.60	Interfund accruals	June 1, 2016
90.20.62	Fund balance	June 1, 2016

90.20.65	Agency fund type accounts	June 1, 2016
90.20.70	Adjustment and reconciliation activity	June 1, 2016
90.20.80	Office of Financial Management analysis and CAFR preparation	June 1, 2016
90.20.90	State Auditor's Office audit	June 1, 2016

90.30 Fiscal Year-End Cut-Off - Illustrative Entries

90.30.10	These entries are for illustrative purposes	June 1, 2016
90.30.20	Cash revenues	June 1, 2016
90.30.30	Material prior period adjustments	June 1, 2016
90.30.35	Immaterial prior period adjustments and corrections	June 1, 2016
90.30.40	Accrued, unavailable and unearned revenues	June 1, 2016
90.30.50	Vendor payment transactions	June 1, 2016
90.30.60	Encumbrance transactions	June 1, 2016
90.30.70	Interagency reimbursements (Object S)	June 1, 2016
90.30.80	Intra-agency reimbursements (Object T)	June 1, 2016
90.30.90	Fund balance reclassification	June 1, 2016

90.40 State Disclosure Forms

90.40.10	Introduction to state disclosure forms and lead sheet	June 1, 2016
90.40.20	Cash and investments disclosure	June 1, 2016
90.40.30	Taxes receivables disclosure	June 1, 2016
90.40.35	Inventory disclosure	June 1, 2016
90.40.38	Capital assets – summary of activity disclosure	June 1, 2016
90.40.40	Long-term construction commitments disclosure	June 1, 2016
90.40.45	Leases, liabilities by major class – summary of activity, and Certificates of Participation (COPs) disclosure	June 1, 2016
90.40.50	Unavailable and unearned revenues disclosure	June 1, 2016
90.40.55	Bond debt disclosure	June 1, 2016
90.40.60	Transfer disclosure	June 1, 2016
90.40.70	Pension disclosure	June 1, 2016
90.40.75	Miscellaneous disclosure	June 1, 2016
90.40.95	Financial disclosure certification	June 1, 2016

90.10
General State Reporting Policies

90.10.10 Purpose and scope of these policies
June 1, 2016

Chapter 90 establishes the state reporting policies and procedures governing the accumulation of accounting data for reporting purposes and the preparation of the state of Washington's *Comprehensive Annual Financial Report* (CAFR).

90.10.20 Authority for these policies
June 1, 2016

All agencies are required by RCW 43.88.110(8) to maintain accounting records and report thereon in a manner prescribed by the Budget and Accounting Act or associated regulations. Additionally, RCW 43.88.027 requires the Governor, through the Director of the Office of Financial Management (OFM), to prepare and publish within six months of the end of the fiscal year, as a matter of public record, an annual financial report that encompasses all funds and account groups of the state.

90.10.30 Applicability
June 1, 2016

This chapter is applicable to and binding on all agencies of the state of Washington, unless otherwise exempted by statute or rule. The Budget and Accounting Act (RCW 43.88.020) defines the term "agency" to mean and include "every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided."

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

90.10.40 Using the Agency Financial Reporting System - roles and responsibilities

June 1, 2016

The Agency Financial Reporting System (AFRS) functions as the statewide financial accounting system. The financial data collected in AFRS is used to prepare a variety of reports including analyses for state level executive management and responses to inquiries for information from parties outside OFM. Because of the importance of financial reports in the management of state operations, it is essential that complete and accurate data be submitted to AFRS monthly.

To this end, the following roles and responsibilities have been established:

90.10.40.a **OFM** is responsible for assisting agencies in complying with AFRS reporting requirements.

This includes:

- Training and consulting services regarding state policies, procedures, and regulations.
- Assistance in resolving certain processing problems related to accounting and financial reporting standards; and
- Notification of missing or erroneous data where possible.

90.10.40.b **Consolidated Technology Services (CTS)** is responsible for assisting agencies in complying with AFRS processing requirements.

This includes:

- Training and consulting services regarding the processing of transactions and reporting of data in AFRS.
- Assistance in resolving certain processing problems related to system functionality (including batch interface processing); and
- Notification of substantial system modifications and processing issues where possible.

90.10.40.c **Agencies** are responsible for:

- Ensuring that accurate and complete data is submitted to AFRS monthly.
- Ensuring that they are in a position to respond to problems encountered with the integrity and/or transmission of agency data, especially during critical times such as AFRS month-end cut-off and during the fiscal year-end closing process.
- Exercising appropriate control over data security.
- Verifying the completeness, accuracy, and integrity of data submitted.
- Notifying their assigned OFM Accounting Consultant if data or other problems arise.
- Reviewing balances in AFRS for accuracy and completeness and, as applicable, reconciling balances to subsidiary records.

90.10.40.d **Administering agencies** are responsible for:

- Reviewing the reasonableness of the asset, liability and equity balances of the accounts that they administer.
- Alerting the assigned OFM Budget Analyst if any fund balance issues are noted.
- Bringing to the attention of the administering agency's OFM Accounting Consultant all other unusual activity and/or balances. Refer to Subsection 80.10.90.

90.10.40.e **Agencies that use the batch interface process to submit data** are responsible for:

- Ensuring that data is transmitted in a secure and reliable manner consistent with AFRS requirements. The preferred method of transmission is through the statewide communication backbone managed by CTS.
- Coordinating with CTS on matters regarding the transmission and processing necessary to make the data available for processing by AFRS.

90.10.50 Some agencies have component unit reporting requirements

June 1, 2016

Reporting requirements prescribe two methods for reporting component units of the state in the CAFR. Depending upon a component unit's relationship with the state, it is either blended or reported discretely.

- **Blended component units** are reported as part of the primary state government just like a normal state agency. Data for blended component units is included in AFRS.
- **Discretely reported component units** are reported in a column separate from the primary state government. Component units discretely reported need to submit audited financial statements to OFM.

The OFM Accounting Consultant assigned to agencies identified as (or having) component units will work with agency personnel to provide additional information and assistance as needed to satisfy reporting requirements. If questions exist regarding component units or potential component units, contact the assigned OFM Accounting Consultant.

90.10.60 Agency prepared reports must reconcile with AFRS and the CAFR

June 1, 2016

Agencies preparing and/or publishing agency financial statements are to use data submitted to AFRS and the Disclosure Forms application for inclusion in the state’s CAFR. Any variance between the final AFRS data and agency issued financial statements is to be reconciled and disclosed in the notes of the agency's financial statements. However, if the separately issued report uses different reporting standards, the agency is to clearly indicate in the notes to their financial statements which standards were used and how they differ from those used in the state's CAFR.

90.10.70 Agencies must comply with reporting due dates

June 1, 2016

Agencies are to adhere to the published due dates. This adherence allows the data to be consolidated by OFM and reported in accordance with prescribed time frames.

90.20
Fiscal Year-End Cut-Off Procedures

90.20.05 Introduction

June 1, 2016

This section provides policies and procedures for closing a fiscal year and for the preparation of the state of Washington's Comprehensive Annual Financial Report (CAFR). The cut-off policy provides guidance for all state agencies to review their financial data and make necessary adjustments. The agency review and subsequent adjustments give the State Auditor's Office (SAO) reliable financial data on which to form an opinion and enable timely financial reporting.

The closing calendar for fiscal year 2016 is as follows:

- The last regular working day of the fiscal year is **June 30, 2016**. Refer to the Office of the State Treasurer's (OST) closing schedule for cut-off dates for treasury activity.

- **Interagency invoices** must be mailed by **July 22, 2016**. Refer to Subsection 90.20.50.

- **Phase 1** is for agencies to record revenue and expenditure/expense accruals. Phase 1 closes **July 29, 2016**. Refer to Subsections 90.20.20 through 90.20.65.

- **Phase 2** is for agencies to record adjustments necessary to correct year-end totals. Phase 2 closes **September 2, 2016**. Refer to Subsection 90.20.70.

  State disclosure forms must be completed by the due dates detailed in Subsection 90.40.10, unless alternate dates are approved by the agency's assigned Office of Financial Management (OFM) Accounting Consultant.

Following the close of Phase 2:

- OFM analyzes Agency Financial Reporting System (AFRS) data and disclosure form submissions and prepares the state's CAFR.

- SAO audits the accounting data and the state's CAFR.

State agencies are not allowed to make entries in AFRS after Phase 2 close, unless approved by OFM.

A schedule of phase cut-off dates is published annually by OFM as part of the directive implementing these policies. Refer to the AFRS/CAFR Closing Schedule and other year-end closing resources at: http://www.ofm.wa.gov/resources/yearend.asp.

90.20.10 Cash cut-off date and policies

June 1, 2016

90.20.10.a Cash cut-off is the last working (business) day in June. Cash activity occurring **after** this date is recorded in the ensuing fiscal year.

90.20.10.b **Treasury accounts**

Treasury account cash receipts received by an agency **on or before June 30** are recorded in Fiscal Month 12 or 24 as “in-process” cash prior to the June monthly cut-off. If these amounts are not deposited in the State Treasury on or before the OST fiscal year cut-off date (usually June 30), the entry by OST to treasury cash activity will be made in the ensuing period. Refer to Subsection 90.30.20 for illustrative entries.

Treasury account cash disbursements **paid on or before OST's cut-off date** are recorded as "in-process" cash prior to the June fiscal month cut-off. Refer to Subsection 90.30.50.a for illustrative entries.

90.20.10.c **Local accounts**

Local account cash receipts deposited on or before June 30 are recorded with a debit to GL Code 1110 “Cash in Bank.” Local account cash receipts received on or before June 30, but not deposited until after June 30, are recorded as a debit to GL Code 1120 “Undeposited Local Cash.” Amounts recorded as GL Code 1120 are reclassified to GL Code 1110 “Cash in Bank” when deposited in the local bank account. Refer to Subsection 90.30.20 for illustrative entries.

Local account cash disbursements made on or before June 30 are recorded with a credit to GL Code 1110 “Cash in Bank.” Refer to Subsection 90.30.50.a for illustrative entries.

90.20.15 Prior period adjustments and corrections

June 1, 2016

Prior period adjustments are corrections of errors discovered after a fiscal year has been closed. There are two types of prior period adjustments, material and immaterial.

OFM makes the final determination as to whether a prior period adjustment is material or immaterial based on materiality at the reporting unit level or fund statement code level.

At the agency level, prior period adjustments that equal or exceed the threshold level computed annually at the roll-up fund level as listed in Subsection 75.30.40 of this manual are to be brought to the attention of the agency's OFM Accounting Consultant. For purposes of Subsection 75.30.40, the threshold level is the lesser of (a) $1 million or (b) the greater of the following two amounts: five percent of roll-up fund equity or one percent of roll-up fund gross activity (revenues plus expenditures/expenses). This threshold level is intended to identify adjustments for consideration of the cause and if there is a need to modify agency accounting processes so as to avoid similar adjustments in the future.

90.20.15.a **Material prior period adjustments**

Material prior period adjustments are reported as adjustments to beginning fund equity. If a material prior period adjustment is required, the following source documents are prepared by the agency, and copies are forwarded to the OFM Accounting Consultant assigned to the agency.

- Journal Voucher - Forward a properly completed journal voucher or equivalent toolbox entry with supporting documentation referencing the attached footnote disclosure signed by the agency's fiscal officer indicating approval. Agencies assign the current document number and leave the reference document number blank.

- Footnote Disclosure - Include a description of the nature of the adjustment, and its impact on beginning balances.

90.20.15.b Material prior period adjustments (except for agency fund type accounts and Subsidiary Accounts 997 and 999) are offset to GL Code 9720 "Prior Period Material Corrections (OFM Only)." Refer to Subsection 90.30.30.a for an illustrative entry.

90.20.15.c Material prior period adjustments to Subsidiary Accounts 997 and 999 are offset to GL Code 9910 "Current Period Clearing Account (Subsidiary Accounts Only)." Refer to Subsection 90.30.30.b for an illustrative entry.

90.20.15.d All material prior period adjustments (as reflected on the agency prepared journal voucher) are entered in AFRS by OFM after approval by the OFM Assistant Director, Accounting Division.

90.20.15.e **Immaterial prior period adjustments and corrections**

Except as noted below, immaterial prior period adjustments in governmental fund type accounts are offset by a credit to GL Code 3215 "Immaterial Adjustments to Prior Periods" with Revenue Source Code 0485 "Immaterial Prior Period Adjustments."

In proprietary fund type accounts, if the immaterial prior period correction is related to a revenue, it should be adjusted through revenue and, if it is related to an expense, it should be adjusted through expense.

Debits to Revenue Source Code 0485 "Immaterial Prior Period Adjustments" are generally not appropriate and require the approval of the agency's OFM Accounting Consultant.

Adjustments to clear overliquidated payables or to write down inventory balances should be recorded as expenditures against the applicable expenditure authority code. Refer to Subsection 90.30.35.b for an illustrative entry.

Write-offs of accounts receivable balances should be debited to the related allowance for doubtful accounts per Subsection 85.54.55. Absent an allowance account in a governmental fund type account, the adjustment should be debited to the revenue source code that was credited when the receivable was recorded. In a proprietary fund type account, if no allowance account exists, accounts receivable are written off to GL Code 6515 "Bad Debts Expense."

If the write-off involves the receivable of federal or private/local revenues, agencies should contact their assigned OFM Accounting Consultant.

If the receivable originated through an offset to expenditures, then the adjustment to write down the receivable should be a reversal of the original entry. If the expenditure occurred in a prior expenditure authority period, and the account involved is appropriated, the expenditure may be a belated claim. Refer to Subsection 85.40.10.

If, in the second year of a biennium, a prior period adjustment relates to a biennial expenditure authority that has not lapsed, the prior period adjustment is to be recorded to/against the applicable expenditure authority.

Immaterial prior period adjustments resulting in the receipt of cash for the recovery of an expenditure charged against a prior expenditure authority are recorded with a credit to GL Code 3210 "Cash Revenues" using Revenue Source Code 0486 "Recoveries of Prior Expenditure Authority Expenditures." Refer to Subsection 90.30.35.c for an illustrative entry.

Revenue Source Code 0486 should only be debited in very limited circumstances and **only** with prior approval of the agency's assigned OFM Accounting Consultant.

Refer to Subsection 90.20.45 for guidance on immaterial prior period adjustments resulting from overestimating an accrual against a prior expenditure authority.

90.20.15.f Record immaterial prior period adjustments to Subsidiary Accounts 997 and 999 as current period additions and/or deletions. Refer to Subsection 90.30.35.f - .h for illustrative entries.

- An immaterial prior period adjustment to the asset cost (either increase or decrease) should be recorded using GL Code 6597 "Capital Asset Adjustment (General Capital Subsidiary Account only)" Subobject WF "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)."

- An immaterial prior period adjustment to Subsidiary Account 997 that involves an increase to the allowance for depreciation should be recorded to GL Code 6591 "Depreciation Expense (General Capital Subsidiary Account only)" Subobject WA "Depreciation/Amortization."

- An immaterial prior period adjustment to Subsidiary Account 997 that involves a decrease to the allowance for depreciation should be recorded to GL Code 6597 "Capital Asset Adjustment (General Capital Subsidiary Account only)" Subobject WF "Capital Asset Adjustment (General Capital Assets Subsidiary Account Only)."

90.20.15.g Adjustments involving beginning cash balances in agency fund type accounts are to be prepared by the administering agency on a journal voucher or equivalent toolbox entry and submitted to their OFM Accounting Consultant for entry. All other prior period adjustments to agency fund type accounts are recorded as current period activity.

90.20.15.h OFM may make adjustments between material and immaterial adjustment classifications based upon review during preparation of the CAFR.

Enterprise Reporting (ER) report to use: Accounting/Prior Period Adjustment Activity

90.20.20 Revenue recognition

June 1, 2016

90.20.20.a **Governmental fund type accounts**

Revenues in governmental fund type accounts are recognized in the period in which they become both **available** and **objectively measurable** as follows:

In general, the following revenues are deemed measurable and available at June 30 and are accrued in the concluding fiscal year:

- Taxes imposed on exchange transactions (gross receipts and fuel taxes,) pertaining to underlying exchange transactions that occur as of June 30, are accrued as revenue in the concluding fiscal year if expected to be collected within twelve months of fiscal year-end.

- Federal grant revenues are recognized according to the guidelines provided in Subsection 50.30.70. In general, federal grant revenues are recognized when the qualifying grant expenditures are made provided that the availability criteria are met.

- Revenues from licenses, permits, and fees related to prior services or activity (such as fees based on volume of activity) are accrued as revenue in the period in which the service or activity occurs. Revenues from licenses, permits, and fees related to a future time period (such as driver and motor vehicle licenses) are recognized as revenue in the fiscal year in which they are collected.

- Property taxes, which are due and expected to be collected within 60 days of the fiscal year-end, are accrued as revenues in the concluding fiscal year for Generally Accepted Accounting Principles (GAAP) reporting purposes. Property taxes which are due and expected to be collected after 60 days are accrued as unavailable revenue (GL codes 5192 or 5292).

- Private donation pledges are accrued when the eligibility requirements are met, provided that they are verifiable, unconditional, probable of collection, measurable and available.

- All other revenues are accounted for in accordance with GAAP for both budget and accounting reporting purposes.

90.20.20.b **Proprietary and trust fund type accounts**

Revenues for proprietary and trust fund type accounts are accounted for on a full accrual basis which means that they are recognized in the period when earned.

90.20.20.c **Revenue accrual**

When cash has not been received by June 30 for revenues meeting the appropriate recognition criteria, record the revenue as an accrual (revenue offset by receivable) in Fiscal Month 99 or 25. If the amount is not known but can be reasonably estimated, the estimated revenue should be accrued. Record the liquidation of these accruals (receivable offset by cash) in the ensuing fiscal year when the cash is received. Refer to Subsections 90.30.40.a and b for illustrative entries.

90.20.20.d **Revenue accrual estimate adjustments**

Record over and under accruals of estimated revenue from the prior fiscal year-end as adjustments to revenue in the current period:

- Record over accruals as a decrease to revenue in the current period.

- Record under accruals as an increase to revenue in the current period.

Refer to Subsection 90.30.35.d and e for illustrative entries.

90.20.20.e **Unavailable revenue – governmental fund type accounts**

If cash was received or a receivable recorded for revenue which **does not** meet the revenue recognition criteria for governmental fund type accounts, record the amount in GL Code 5192 “Unavailable Revenues - Short-Term” or GL Code 5292 “Unavailable Revenues - Long-Term” depending upon when the revenue is expected to be recognized. Generally in governmental funds, accrued revenue sources are deemed unavailable if not expected to be collectible within 12 months of fiscal year end. Accordingly, the use of GL Code 5192 is very limited. Refer to Subsection 85.70.40. Balances recorded to GL Code 5292 are recognized as revenue in a future period when they meet the availability recognition criteria. Refer to Subsection 90.30.40.c for an illustrative entry.

90.20.20.f **Unearned revenue – all accounts**

If cash was received or a receivable was recorded for revenue for which the earning criteria has not been met in governmental or proprietary fund type accounts, record the amount in GL Code 5190 "Unearned Revenues – Short Term" or GL Code 5290 "Unearned Revenues – Long Term" depending upon when the revenue is expected to be realized. Refer to Subsection 85.70.45. These amounts are recognized as revenue in a future period when they meet the earning criteria. Refer to Subsection 90.30.40.d.

90.20.20.g **Treasury deposit income**

The fiscal year-end accrual for treasury deposit income is recorded by OST as Agency 705 Treasurer's Deposit Income in either Account 076 "Treasury Income Account" or Account 409 "Investment Income Account."

1. **Treasury accounts (for governmental, proprietary, and trust fund type accounts)**

   Treasury deposit income for treasury accounts is reported by OST as Agency 705 activity for the concluding fiscal year. OST records the interest as payable in Account 076 by a credit to GL Code 5153 "Due to Other Funds" with the appropriate subsidiary account code. In addition, OST records the interest in the various receiving accounts in Agency 705 by debiting GL Code 1353 "Due from Other Funds" with Subsidiary Account Code 076000, and crediting GL Code 3205 "Accrued Revenues" with Revenue Source Code 0401 "Investment Income."

2. **Treasury trust accounts (for governmental, proprietary, and trust fund type accounts)**

   Treasury deposit income for treasury trust accounts is reported by OST in Agency 705. OST records the interest as payable in Account 409 by crediting GL Code 5153 "Due to Other Funds" with the appropriate subsidiary account code. In addition, OST records the activity in the various receiving accounts in Agency 705, by debiting GL Code 1353 "Due from Other Funds" with Subsidiary Account Code 409000 and crediting GL Code 3205 "Accrued Revenues" with Revenue Source Code 0401 "Investment Income."

3. **Treasury and treasury trust accounts (for agency fund type accounts)**

   Deposit income for agency fund type accounts is reported in either Agency 705 or the administering agency. When the activity is reported in Agency 705, OST records interest payable in Account 076 or 409 by crediting GL Code 5153 "Due to Other Funds" with the appropriate subsidiary account code. In addition, OST records the activity in the various receiving agency fund type accounts in Agency 705 by debiting a receivable and crediting a liability in the agency account.

   When the activity is reported in the administering agency, OST records interest payable in Account 076 or 409 by crediting GL Code 5153 "Due to Other Funds" with the appropriate subsidiary account code. In addition, OST records the activity in the various receiving agency fund type accounts in Agency 705 by debiting a receivable and crediting a liability in the agency fund type account. OST notifies administering agencies of the various agency fund type accounts of the correct amount of deposit income after the June allocation is run, which is a day after the AFRS cut-off date.

90.20.25 Expenditure/expense recognition

June 1, 2016

90.20.25.a **Governmental fund type accounts**

Expenditures in governmental fund type accounts are recognized in the period in which the account liability is incurred; that is, the period in which the goods or services are received. Goods and services **must be received by June 30** to be included as an expenditure of the concluding fiscal year.

90.20.25.b **Proprietary and trust fund type accounts**

In proprietary and trust fund type accounts, expenses are recognized when incurred, if measurable. All goods and services **received through June 30 must be recognized** in the concluding fiscal year.

90.20.25.c **All accounts**

Record expenditures/expenses incurred in the concluding fiscal year but **paid after June 30**, as an accrual (expenditure/expense offset by payable) in Fiscal Month 99 or 25. Record liquidation of the accrual (payable offset by cash) in the ensuing fiscal year when paid. Refer to Subsection 90.30.50 for illustrative entries. If the ensuing year is the second fiscal year of a biennium and the expenditure is charged against a biennial expenditure authority code, then there is an additional entry to reverse the initial accrued expenditure and record cash expenditure.

90.20.30 Expenditure/expense accruals for single year operating expenditure authority - mid-biennium

June 1, 2016

90.20.30.a **Expenditure/expense accruals**

Record all expenditure/expense accruals charged against single year operating expenditure authority by Phase 1 close of the ensuing year. If the amount of the accrual is known (i.e., the invoice has been received or the amount is otherwise known), record the entry to GL Code 6505 "Accrued Expenditures/Expenses."

90.20.30.b **Estimates**

If the amount is not known, **but can be reasonably estimated**, record the estimate in GL Code 6560 "Estimated Accrued Expenditures/Expenses." Make estimates in accordance with the state's policy for developing accounting estimates. Refer to Subsection 90.20.55.

Note: If the actual amount becomes known prior to Phase 2 close, the estimate recorded in GL Code 6560 "Estimated Accrued Expenditures/Expenses" should be reversed and the actual amount should be recorded in GL Code 6505 "Accrued Expenditures/Expenses."

All expenditure/expense accruals (GL Codes 6505 and 6560) made during the first fiscal year of a biennium and charged against single year operating expenditure authority will be closed to fund equity during the biennium automated closing process in AFRS.

Agencies should monitor the liquidation of estimated accruals at the account/expenditure authority level. While a subsidiary worksheet is the recommended method, agencies may use any reasonable means of documenting the liquidations. Reconcile the unliquidated balances on a timely basis. Retain this subsidiary worksheet or other form of documentation for audit purposes.

90.20.30.c **Encumbrances**

The balance in GL Code 6410 "Encumbrances" related to **single year** expenditure authority is to be **zero** at the end of the fiscal year. Goods and services ordered, but not received prior to close of business June 30, are accounted for as expenditures of the ensuing year or in the fiscal period received. Refer to Section 85.30.

ER report to use: Accounting/Exceptions/Encumbrances - First Fiscal Year Operating (GL 6410)

90.20.35 Expenditure/expense accruals for biennial expenditure authority - mid-biennium

June 1, 2016

90.20.35.a **Expenditure/expense accruals**

Record all expenditure/expense accruals charged against biennial expenditure authority by Phase 1 close of the ensuing year. Both actual and estimated accruals are to be recorded in GL Code 6505 "Accrued Expenditures/Expenses." Actual accruals are based on an invoice or the amount is otherwise known.

90.20.35.b **Estimates**

Estimates are made if an amount is not known, **but can be reasonably estimated**. Make estimates in accordance with the state's policy for developing accounting estimates (use GL Code 6505). Refer to Subsection 90.20.55.

Reverse accrued expenditures/expenses (GL Code 6505) recorded during the first fiscal year of the biennium at the beginning of the second fiscal year of the biennium. After the reversal, payments of the accruals are to be treated the same as other expenditures/expenses of the second fiscal year.

90.20.35.c **Encumbrances**

Goods and services ordered, but not received prior to June 30 of the first fiscal year of the biennium, are recorded as encumbrances in the first fiscal year by debiting GL Code 6410 "Encumbrances" with an offsetting credit to GL Code 9510 "Reserved for Encumbrances." **For budgeted accounts, total allotment charges plus these encumbrances cannot exceed the approved spending authority (approved biennial budget).** Refer to Section 85.30.

ER report to use: Accounting/Exceptions/Encumbrances by Account and Program

Additionally, for encumbrances relating to capital appropriations, a sufficient available fund balance must exist or an appropriate budget explanation explaining the difference must be included with fiscal year-end disclosure forms as an attachment to the financial disclosure certification. Refer to Subsection 85.30.10 for further information about encumbrance accounting.

A second option for mid-biennium reporting of encumbrances related to biennial expenditure authority is to record them at a summary level by debiting GL Code 9514 “Reserved for Encumbrances for Continuing Operating Expenditure Authority” with an offsetting credit to GL Code 9510 “Reserved for Encumbrances.” This entry is reversed at the beginning of the ensuing fiscal year by debiting GL Code 9510 and crediting GL Code 9514. At the time the summary level entry is reversed, the encumbrances need to be recorded in GL Code 6410 against an actual expenditure authority code. Prior to using GL Code 9514, agencies should check with their assigned OFM Accounting Consultant.

90.20.40 Expenditure/expense accruals - end of biennium

June 1, 2016

90.20.40.a **Expenditure/expense accruals**

Record all expenditure/expense accruals for the concluding fiscal year by Phase 1 close of the ensuing year. If the amount of the accrual is known (i.e., the invoice has been received or the amount is otherwise known), record the entry to GL Code 6505 “Accrued Expenditures/Expenses.”

90.20.40.b **Estimates**

If the amount is not known, **but can be reasonably estimated**, record the estimate in GL Code 6560 “Estimated Accrued Expenditures/Expenses.” Make estimates in accordance with the state's policy for developing accounting estimates. Refer to Subsection 90.20.55.

Note: If the actual amount becomes known prior to Phase 2 close, the estimate recorded in GL Code 6560 “Estimated Accrued Expenditures/Expenses” should be reversed and the actual amount should be recorded in GL Code 6505 “Accrued Expenditures/Expenses.”

All accrued expenditures/expenses (GL Codes 6505 and 6560) are closed to fund equity during the biennium automated closing process in AFRS.

Agencies should monitor the liquidation of estimated accruals at the account/expenditure authority level. While a subsidiary worksheet is the recommended method, agencies may use any reasonable means of documenting the liquidations. Reconcile the unliquidated balances on a timely basis. Retain this subsidiary worksheet or other form of documentation for audit purposes.

90.20.40.c **Encumbrances - operating expenditure authority**

The balances of GL Codes 6410 "Encumbrances" and 9514 "Reserved for Encumbrances for Continuing Operating Expenditure Authority" are to be **zero** at the end of the biennium. Goods and services ordered, but not received prior to close of business June 30, are accounted for as expenditures of the ensuing year or in the fiscal period received. Refer to Section 85.30.

90.20.40.d **Encumbrances - capital expenditure appropriations**

At biennium-end, encumbrances for capital appropriations that are **reappropriated** in the new biennium are closed to GL Code 9513 "Reserved for Encumbrances for Reappropriated Capital Appropriations" in the concluding biennium, **provided a sufficient available fund balance exists.** These amounts are offset by GL Code 9510 "Reserved for Encumbrances." The entry to close GL Code 6410 "Encumbrances" is reversed at the beginning of the ensuing biennium with the encumbrance charged to the reappropriated appropriation. Refer to Subsection 90.30.60.c for an illustrative entry.

90.20.45 Unliquidated estimated accrued expenditures/ expenses – immaterial prior period adjustments

June 1, 2016

Unliquidated estimated accrued expenditures/expenses from a prior expenditure authority period are adjusted using GL Code 3215 "Immaterial Adjustments to Prior Periods" with Revenue Source Code 0486 "Recoveries of Prior Expenditure Authority Expenditures." The adjustment is made when it is expected that no further payments will be made, normally within 12 months of the end of an expenditure authority period, but no later than two years following the accrual. Refer to Subsection 90.30.35.a for an illustrative entry.

90.20.47 Shortages in estimated accrued expenditures/ expenses in appropriated accounts – belated claims

June 1, 2016

Shortages in estimated accrued expenditures/expenses in **appropriated accounts** are to be treated as belated claims of the prior expenditure authority period. Belated claims are obligations for goods and services which were received on or before June 30 but were not accrued in the concluding expenditure authority period. Refer to Subsection 90.30.35.b for an illustrative entry. Refer to Subsection 85.40.10 for procedures relating to belated claims.

90.20.50 Interagency accruals

June 1, 2016

90.20.50.a Interagency receivables/payables are required to be in balance at fiscal year-end by Phase 1B close on August 19, 2016. Agency cooperation is essential to balance interagency receivables and payables at the statewide level. Agencies are to contact the other agencies involved to resolve any differences. If disagreements exist, the OFM Accounting Consultant assigned to each agency should be contacted to resolve the issues.

Interagency GL Codes include:

- 1354 Due from Other Agencies
- 1654 Due from Other Agencies - LT
- 5154 Due to Other Agencies
- 5254 Due to Other Agencies - LT

There are several exceptions to the GL codes listed above for recording interagency payables. Refer to Subsection 90.20.50.b for a list of these exceptions. Also, interagency receivable/payables with the State Board for Community and Technical Colleges (SBCTC) and the Community and Technical Colleges (CTCs) require a specific subsidiary GL code, refer to Subsection 90.20.50.c.

In establishing interagency receivables/payables, the accrual should be recorded as of the date goods and services are delivered. Refer to Subsection 90.20.25.

A reasonable estimated billing, in lieu of an actual amount, is an acceptable basis for recording the receivable/payable. However, payment should be made after receipt of the actual bill, not on an estimated billing.

The type of interagency payment used to liquidate an interagency accrual depends on the cash type of the accounts involved. Payments between treasury and treasury trust accounts are to be made using the most cost effective means available, for example an interagency payment (IAP). Refer to Subsection 85.36.20. Except as noted below, the accrual is deemed liquidated on the date the cash is credited to the receiving agency. If the payment is made by warrant or local fund check, the date recorded on the payment document is considered the date of liquidation.

Unless prior arrangements have been made between the billing agency and billed agency, interagency billings for services rendered as of June 30 are to be sent out by vendor agencies no later than July 22. If a vendor agency cannot produce actual billings by July 22, the agency is to send out estimated billings by July 22 and follow up with the actual bill as soon as possible. Estimated billings are to be clearly marked as estimates.

Actual billings received by customer agencies are to be accrued in GL Code 6505 "Accrued Expenditures/Expenses" by Phase 1 close in the concluding fiscal year, using Fiscal Month 99 or 25.

For a **biennial expenditure authority** at mid-biennium, expenditures related to estimated billings received by customer agencies are accrued in GL Code 6505 "Accrued Expenditures/Expenses" by Phase 1 close in the concluding fiscal year using Fiscal Month 99.

At the **end of an expenditure authority period,** expenditures related to estimated billings received by customer agencies are accrued in GL Code 6560 "Estimated Accrued Expenditures/Expenses" by Phase 1 close in the concluding fiscal year using Fiscal Month 99 or 25.

Disputed billings are treated as estimates whether based upon actual invoices or not. Disputed billings are to be paid when resolved.

Refer to the list of interagency contacts on OFM's website at: http://www.ofm.wa.gov/resources/yearend.asp.

ER reports to use: Accounting/Interagency & Interfund/Interagency payables and Accounting/Interagency & Interfund/Interagency receivables

90.20.50.b The following interagency payables **should not** be recorded using GL Codes 5154 or 5254. Instead the following GL Codes should be used:

GL Codes	GL Title	Description
5152	Due to Other Governments	Department of Retirement Systems withholdings for retiree medical insurance premiums due to Health Care Authority (HCA). HCA records it as GL Code 1352 "Due from Other Governments."
5152	Due to Other Governments	Health Care Authority for the flexible spending administrative charge

GL Codes	GL Title	Description
5152	Due to Other Governments	Department of Retirement Systems special billings for retirement contributions
5152	Due to Other Governments	Department of Transportation for Good to Go! accounts
5152/1352	Due to Other Governments/Due from Other Governments	Amounts due to or due from state Agriculture Commodity Commissions
5158	Due to Dept. of Revenue – Taxes	Department of Revenue for sales and use taxes
5159/1359	Due to Primary Government/Due from Component Units	Amounts due to or due from discrete component units (refer to the list below)
5173/5273	Certificates of Participation Payable	Office of the State Treasurer for a COP liability
5187	Industrial Insurance and Medical Aid Deductions Payable	Department of Labor & Industries for worker's compensation

Amounts due to or from the following discrete component units are recorded as GL Code 5159 "Due to Primary Government" or GL Code 1359 "Due from Component Units," as follows:

Component Units	Agency Code
Washington Economic Development Finance Authority	1060
Washington State Housing Finance Commission	1480
Tobacco Settlement Authority	3040
Washington Higher Education Facilities Authority	3460
Washington Health Care Facilities Authority	5990
Washington Public Stadium Authority	7270

90.20.50.c When recording interagency receivables/payables with the State Board for Community and Technical Colleges (SBCTC) and the Community and Technical Colleges (CTCs), use the following subsidiary GL codes:

Agency Name	Agency Code	Use Subsidiary GL Code
Community and Technical Colleges	6050 to 6960	6990xx*
State Board for Community and Technical Colleges	3520	699000

* Where xx is the second and third numbers of the 4 digit agency code for the specific community or technical college. Refer to Subsection 75.20.10.

90.20.55 Accounting estimates

June 1, 2016

90.20.55.a An accounting estimate is an approximation of an expenditure/expense, revenue, or other financial statement element. Accounting estimates are included in the state's accounting records because of the following:

1. The measurement of some amounts or the valuation of some financial statement element may be uncertain, pending the outcome of future events.

2. Relevant data concerning events that have already occurred cannot be accumulated on a timely, cost-effective basis.

90.20.55.b Agencies are responsible for making the accounting estimates to be included in their accounting records. Estimates are based on subjective as well as objective factors. These decisions are normally based on knowledge and experience of past and current events, assumptions about conditions expected to exist, and courses of action expected to be taken.

90.20.55.c Agencies are responsible for establishing a process for preparing accounting estimates. The process normally consists of the following:

1. Identifying situations for which accounting estimates are required.

2. Identifying the relevant factors that may affect the accounting estimate.

3. Accumulating relevant, sufficient, and reliable data on which to base the estimate.

4. Developing assumptions that represent management's judgment of the most likely circumstances and events with respect to the relevant factors.

5. Determining the estimated amount based on the assumptions and other relevant factors.

Once an agency has determined the accounting estimate amount, they must record the accounting estimate in accordance with state accounting policies.

ER report to use: Accounting/Estimated Accrued Expenditures/Expenses (GL 6560) Review

Note: If the actual amount becomes known prior to Phase 2 close, the expenditure estimate recorded in GL Code 6560 “Estimated Accrued Expenditures/Expenses” should be reversed and the actual amount should be recorded in GL Code 6505 “Accrued Expenditures/Expenses.”

90.20.60 Interfund accruals

June 1, 2016

Interfund receivables and payables, GL Codes 1353 and 5153, 1653 and 5253, 1355 and 5155, and 1350 and 5150, are required to be in balance at the agency level at fiscal year-end. For the University of Washington only, GL Codes 1667, 5167, and 5267 are also required to be in balance at the agency level at fiscal year-end.

Interfund accruals should be established when goods and/or services are delivered. When payment of an interfund payable is made by interfund transfer (IFT) or journal voucher (JV), the accrual is considered liquidated on the date that the cash is credited to the receiving fund. If payment is made by warrant or local check, the date recorded on the payment document is considered the date of liquidation.

ER reports to use: Accounting/Interagency & Interfund/Interfund Receivables/Payables and Accounting/Interagency & Interfund/Pooled Cash and Investments Due to/Due from Other Funds (GLs 1355 and 5155)

90.20.62 Fund balance

June 1, 2016

Agencies are responsible for reviewing the fund balance general ledger (GL) codes in AFRS of the governmental fund type accounts to which they post activity and reclassifying as appropriate. Each account is designated a closing GL code within the classifications of: nonspendable, restricted, committed, assigned or unassigned. Refer to Subsection 75.40.20 for a description of these GL codes. A portion of the residual activity balance may be more appropriately reported in a fund balance GL code in a classification other than that of the designated closing code. Refer to Subsection 75.30.50 for the closing GL code for each account. If questions exist regarding fund balance classification, contact your assigned OFM Accounting Consultant.

Refer to Subsection 90.30.90 for an illustrative entry.

90.20.65 Agency fund type accounts

June 1, 2016

Agency fund type accounts are custodial in nature and do not report operations or fund balance. At fiscal year-end, these accounts only report assets and liabilities existing as of June 30.

90.20.70 Adjustment and reconciliation activity

June 1, 2016

90.20.70.a Phase 2 is the final opportunity for state agencies to enter adjustments for the concluding fiscal year before the data is provided to the SAO for final audit and released as the unaudited fiscal year activity.

Agencies are to review their data to ensure that assets and liabilities are properly and completely stated, and that revenues and expenditures/ expenses are accurately reflected and recorded in the proper period using the correct coding. GL codes with subsidiary accounts must be reconciled to the subsidiary records.

90.20.70.b Journal vouchers are used for adjusting entries posted during Phase 2 for Fiscal Month 99 or 25. Journal vouchers must include the biennium and fiscal month to which they pertain.

Examples of types of activities to perform and adjustments to make are as follows:

1. **Amortization of a deferred inflow or outflow (gain/loss) on debt refunding – proprietary fund type accounts.** In proprietary fund type accounts only, amortize the deferred inflows and outflows on a bond refunding recorded in GL Code 5268 "Deferred Inflow on Bond Refunding" or GL Code 1972 "Deferred Outflow on Bond Refunding." For COP (Certificate of Participation) refundings, GL Code 5266 "Deferred Inflow on COP Refundings" or GL Code 1971 "Deferred Outflow on COP Refundings" are used if material. Record the amortization in GL Code 6512 "Amortization Expense" using Subobject WB "Amortization." Refer to Subsection 85.72.20.d for bonds, and 85.72.40.f and 85.85.52.b for COPs.

2. **Capital asset/accumulated depreciation reconciliation.** Reconcile the balances in GL Code series 2XXX "Capital Assets" in AFRS with the balances for capital assets in the Capital Asset Management System (CAMS) or other authorized capital asset subsidiary system. An adjusting entry is required when the balance in AFRS does not agree with the reconciled balance. Refer to Subsections 30.20.95, and 90.20.15.f.

   Separately record additions, deletions, and adjustments to capital assets and accumulated depreciation occurring during the year. Adjusting entries to capital assets and accumulated depreciation are not to be netted. Subsection 85.60.60 contains the procedures for adjusting capital assets.

3. **Certificates of Participation (COP) payable review.** Review and adjust GL Codes 5173 and 5273 "Certificates of Participation Payable" to ensure that year-end balances are correct and agree with balances maintained by OST. **Transactions to record increases to the COP liability accounts are to be recorded separately from decreases, not netted**. Record in GL Code 5173 the COP principal amount payable in the next fiscal year.

   For governmental fund type accounts, ensure that the amount of all new Certificates of Participation (COPs) recorded in Subsidiary Account 999 agrees to amounts reported in the governmental fund type accounts in GL Code 3221 "Other Financing Sources" and Revenue Source Code 0807 "Certificates of Participation" and GL 3210 "Cash Revenues" and Revenue Source Code 0854 "Refunding COPs Issued." Refer to Subsections 85.85.45 and 85.85.50.

   For proprietary fund type accounts, increases in GL Codes 5173 and 5273 should equal the par amount of the new COP.

   ER report to use: Accounting/Exceptions/COPs and Capital Leases – Governmental Accounts

4. **Depreciation adjustment.** Record depreciation using the procedures contained in Subsection 85.60.40.

   ER report to use: Accounting/Depreciation Expense and Increase in Allowance for Depreciation Review

5. **Expenditures within appropriations review.** Review expenditures to ensure that appropriations haven't been overspent.

   ER report to use: Accounting/Budget/Appropriations Overspent

6. **Fund balance review.** Review the balances in fund balance GL codes in governmental fund type accounts to ensure appropriate classification and compliance with order of spending policies. Refer to Subsections 80.30.65 and 90.20.62.

   Additionally, the balances in the following sets of GL codes are to net to zero:

Governmental fund type accounts only:

Inventory:

1410 Consumable Inventories, and
9120 Nonspendable Consumable Inventories

ER report to use: Accounting/Exceptions/Consumable Inventory for Governmental Accounts

All accounts – encumbrances – biennial expenditure authority – mid-biennium:

6410 Encumbrances, or
9514 Reserved for Encumbrances for Continuing Operating Expenditure Authority, and
9510 Reserved for Encumbrances

(Refer to Subsection 90.20.35.c)

ER report to use: Accounting/Exceptions/Encumbrances by Account and Program

All accounts – encumbrances – capital appropriations at end of biennium:

9513 Reserved for Encumbrances for Reappropriated Capital Appropriations, and
9510 Reserved for Encumbrances

(Refer to Subsection 90.20.40.d)

Exception situations:

Inventories - In governmental fund type accounts, donated commodities, such as immunization supplies, are recorded in GL Code 1415 "Donated Inventories" and are offset by GL Code 5190 "Unearned Revenues." Refer to Subsection 85.56.40 Accounting for Donations of Consumable Inventories.

Receivables - In governmental fund type accounts, GL Codes 9131"Nonspendable Receivables – Long-Term" and the long-term 16XX "Receivables" are to agree, with one exception: there is to be no reserve if the long term receivable is offset by GL Code 5292 "Unavailable Revenues – Long-Term" or other 52XX long term liability GL codes.

ER report to use: Accounting/Exceptions/Long-Term Receivables/ Payable for Governmental Accounts

7. **General ledger balance review.**

   Agencies are to review and reconcile asset, liability and equity general ledger accounts.

   AFRS reports to use: daily in process report, daily error report

   ER reports to use:

   Agencies:
   Accounting/Agency Trial Balance
   Accounting/Exceptions/General Ledger Accounts with Unchanged Balances
   Accounting/Exceptions/Questionable Balance – Assets and Deferred Outflows of Resources
   Accounting/Exceptions/Questionable Balance – Liabilities and Deferred Inflows of Resources

   Administering agencies are to review asset, deferred outflows of resources, liability, deferred inflows of resources, and equity balances for the accounts they administer for reasonableness. If adjustments are required, administering agencies are to contact the other agencies involved. Agencies contacted are to make the requested adjustments in AFRS, or if necessary, have the agency's assigned OFM Accounting Consultant assist with making the adjustment in AFRS. Refer to Subsection 80.10.90.

   Administering Agencies:
   Above reports plus Administering Agency/Administering Agency Trial Balance.

8. **In-process review.** Review the AFRS daily unbalanced in-process and error reports. Agency documents listed on those reports for the concluding fiscal year should be researched and cleared as soon as possible.

   ER report to use: Accounting/Exceptions/Clearing Accounts Review (GL 9910 and 9920)

9. **Interagency reimbursements (Object S) elimination.**

   Budgeted proprietary fund type accounts - Normally, payments received by proprietary fund type accounts for goods and services are recorded as revenue with appropriate revenue source codes (refer to Subsection 90.30.70.b for an illustrative entry). However, in the case of budgeted proprietary fund type accounts, interagency reimbursements are recorded for budgetary purposes as credits to

expense using Object S. These cases require additional entries to record revenue and to eliminate expenditure reductions for GAAP reporting. Record revenue by crediting GL Code 3225 "Revenue Adjustments/Eliminations (GAAP)" with appropriate revenue source codes and record the expenditure recovery elimination by debiting GL Code 6525 "Expense Adjustments/Eliminations (GAAP)," with appropriate subobjects within Object S. The GAAP adjustment accounts, GL Codes 3225 and 6525, are not recognized for budgetary reporting. For GAAP reporting purposes, interagency reimbursements are reflected as revenues since the two expense GL Codes, 6510 and 6525, offset each other. Refer to Subsection 85.90.60.b for further information and to Subsection 90.30.70.a for illustrative entries.

ER report to use: Accounting/Exceptions/Expense Elimination for Proprietary Accounts

Other accounts - Record Object S "Interagency Reimbursements" received by accounts other than budgeted proprietary fund type accounts as normal reimbursements of expenditures by crediting GL Code 6510 "Cash Expenditures/Expenses" using Object S with appropriate subobjects. Refer to Subsection 90.30.70.c for an illustrative entry.

ER report to use: Accounting/Exceptions/Object S Debit Exceptions

10. **Interagency and intra-agency reimbursements reallocation (Unidentified Subobjects SZ & TZ).** Allocate balances in Interagency and Intra-agency Reimbursements - Unidentified (Subobjects SZ and TZ) to the appropriate subobject level under Objects S and T.

    ER report to use: CAFR/Exceptions/Objects SZ and TZ Not Redistributed

11. **Interagency and interfund receivables and payables in fiduciary funds**. Fiduciary funds may not report assets or liabilities that belong to the state itself. Accordingly, interagency and interfund receivables and payables in fiduciary fund type accounts (e.g. Account 035) must be eliminated for financial reporting purposes and the related asset or liability reported in the appropriate account. Interagency and interfund receivable and payable balances in fiduciary fund type accounts should be zero at June 30.

12. **Inventory adjustments.** If the inventory balances (GL Code series 14XX) in AFRS do not agree with the physical count at June 30, an adjusting entry is necessary to reflect the proper balances. Section 85.56 lists the procedures to make inventory adjustments.

    ER reports to use: Accounting/Agency Trial Balance or Accounting/General Ledger Account Analysis Flexible

13. **Investment review.** Review investments (GL Code series 12XX) for compliance with the investment valuation policies presented in Section 85.52. Generally, non-participating interest earning investments (e.g., non-negotiable certificates of deposit with redemption terms that do not consider market rates) are to be recorded at cost; all other short-term investments are to be recorded at amortized cost; and non-current investments are to be recorded at fair value.

14. **Leave payable adjustments.** Review and adjust leave payables as necessary to ensure correct year-end balances in compliance with Governmental Accounting Standards Board (GASB) Statements 16 and 34. Transactions to record increases and decreases are to be recorded separately, not netted. Refer to Subsections 85.72.50 through 85.72.65.

    - GL Codes 5125 and 5225 Accrued Vacation Leave Payable
    - GL Codes 5127 and 5227 Accrued Sick Leave Payable
    - GL Codes 5128 and 5228 Accrued Compensatory Time Payable

    Vacation leave payable is to include both the dollar value of the vacation leave due employees *and* the employer's share of the associated payroll related payments; e.g., Social Security and Medicare taxes.

    A liability for sick leave is to be accrued for the estimated amount that will be paid to employees as sick leave buy-out upon retirement. No liability is accrued for the estimated dollar value of allowed time off.

    The sick leave accrual is to include the dollar value of the estimated amount that will be paid in cash and the employer's share of the associated payroll related payments; e.g., Social Security and Medicare taxes (pension is not paid on sick leave buy-out).

    Using the assumption that employees are currently taking the leave that they most recently earned (last in, first out), and given that accrued vacation and sick leave generally increase year to year, the long-term designation (GL Codes 5225 and 5227) is generally appropriate. Under this assumption, vacation and sick leave liabilities would be classified

short term only when special circumstances exist, such as a significant number of retirements or terminations (resulting in unusually high vacation and sick leave buy-out) are expected in the next year.

Compensatory time payable is to include both the dollar value of the compensatory time due employees and the employer's share of the associated payroll related payments; e.g., pension and Social Security and Medicare taxes.

Additionally, review shared leave activity to ensure that it is recorded in both the accounting and payroll systems in such a way as to allow for statewide reporting of shared leave activity. Refer to Subsection 85.34.20 for procedures for making accounting entries.

ER reports to use: Accounting/Agency Trial Balance or Accounting/ General Ledger Account Analysis Flexible

15. **Long-term obligations review.** Record "Long-Term Obligations" for governmental fund type accounts (GL Code series 52XX) in Account 999 "General Long-Term Obligations Subsidiary Account." In proprietary and trust fund type accounts, long-term obligations are recorded directly in the accounts. For all long-term obligations, ensure that the amount due in the next year is recorded in the short-term GL Code series 51XX. Refer to Section 85.72.

    Transactions to record increases to individual liability accounts are to be recorded separately from decreases, not netted.

    For governmental fund type accounts, ensure that the amount of all new capital leases recorded in the Subsidiary Account 999 agrees to amounts reported in the governmental fund type accounts in GL Code 3221 "Other Financing Sources" with Revenue Source Code 0809 "Capital Leases." Refer to Subsection 85.72.30.b.

    ER report to use: Accounting/Exceptions/COPs and Capital Leases – Governmental Accounts

    Long-term obligations other than bonds, leases, and COPs related to the acquisition of capital assets (purchased or constructed) should be reported in GL 5298 "Other Obligations – Capital Related".

16. **Pollution remediation obligations.** Record pollution remediation obligations (GL Code 5287) for governmental fund type accounts in Account 999 "General Long-Term Obligations Subsidiary Account." In proprietary and trust fund type accounts, pollution remediation obligations are always fund liabilities. They are separated into short-

term liabilities (e.g., accounts payable, claims and judgments payable, or accrued salaries) using appropriate general ledger codes and long-term liabilities using GL Code 5287 "Pollution Remediation Obligation." Refer to Subsection 85.74.50.

Transactions to record increases are to be recorded separately from decreases, not netted.

The balance recorded in GL Code 5287 in Account 999 "General Long-Term Obligations Subsidiary Account" must match the total amount shown as "reportable" on the Site Status Report. In proprietary and trust fund type accounts, the total amount shown as "reportable" on the Site Status Report must equal the pollution remediation obligation amounts recorded in GL Code 5287 plus the appropriate short-term GL code(s).

If applicable, the Site Status Report is due on Phase 1B close, and a copy is required to be submitted with the Financial Disclosure Certificate. Refer to Subsections 90.40.75 question 6 and 90.40.95.

17. **Merchandising activity review for proprietary accounts.** Review inventory, sales revenue and cost of goods sold GL codes for reasonableness. Expenses coded to Object F "Cost of Goods Sold," must be accompanied by an equal or greater amount coded to Revenue Source Code 0450 "Sales of Goods and Supplies – Proprietary Funds." Refer to Subsection 85.56.30.

    ER report to use: Accounting/Merchandising Activity - Proprietary Accounts

18. **Object T adjustments.** Total Object T "Intra-Agency Reimbursements" are to be reviewed to ensure that they are in balance (net to zero) at the subobject level for all accounts within the following GL Codes:

    - 6505 Accrued Expenditures/Expenses
    - 6510 Cash Expenditures/Expenses
    - 6560 Estimated Accrued Expenditures/Expenses

    Budgeted proprietary fund type accounts - In the case of budgeted proprietary fund type accounts, intra-agency reimbursements are recorded as a credit to expense using Object T.

    Therefore, an adjustment is required to record revenue by crediting GL Code 3225 "Revenue Adjustments/Eliminations (GAAP)" with an appropriate revenue source code and debiting GL Code 6525 "Expense

Adjustments/Eliminations (GAAP)" Object T. Only in the case of GL Code 6525 transfers is there no corresponding Object T offset. Refer to Subsection 85.90.60.a for further information and to Subsections 85.95.50 and 90.30.80.a for illustrative entries.

ER report to use: Accounting/Exceptions/Object T for Proprietary Accounts

Other accounts - Record Object T "Intra-Agency Reimbursements" received by accounts other than budgeted proprietary fund type accounts as a reduction of expenditures. Refer to Subsection 90.30.80.c for an illustrative entry.

ER report to use: Accounting/Exceptions/Object T Elimination

19. **Prior period adjustments review.** Review Prior Period Adjustments to ensure that they are in compliance with Subsection 90.20.15. Debits to Revenue Source Code 0485 "Immaterial Prior Period Adjustments" are generally not appropriate and require the approval of the agency's assigned OFM Accounting Consultant.

    ER report to use: Accounting/Prior Period Adjustment Activity

20. **Private/local revenue/expenditure balancing.** Private/local revenues and expenditures should balance at the account level for budgeted accounts, Expenditure Authority types 7 "Private/Local" and 9 "Private/Local – Unanticipated" and Revenue Source Code series 05XX. Refer to Subsection 75.80.10.

    ER report to use: Accounting/Exceptions/Private/Local Revenue/ Expenditures

21. **Receivable adjustments and reconciliation.** Report receivables as the net amount expected to be collected. An adjusting entry to the related GL Code series 134X "Allowance for Uncollectible Receivables" accounts may be required to properly reflect the net estimated realizable value of the receivables. Subsection 85.54.55 describes the procedures to be followed in making the adjustments and Subsection 85.65.32 shows an illustrative entry.

    Receivables should be reconciled to subsidiary systems and/or records if applicable. Refer to Subsection 85.54.65.

22. **Revenue Source Code series 09XX reclassification.** Reclassify Revenue Source Code series 09XX to the appropriate asset, liability, revenue, or expenditure/expense account. Refer to Subsections 75.80.20 and 85.20.30.

    ER report to use: Accounting/Exceptions/Major Source 09 (Non-Revenues) to be Redistributed

23. **Revenue source code elimination for debt transactions in budgeted proprietary fund type accounts.** In budgeted proprietary fund type accounts only, eliminate Revenue Source Codes 0611 and 0612 as well as 0850 through 0865 adjusting them through GL Code 3225 "Revenue Adjustments/Eliminations (GAAP)" to the appropriate liability account. Refer to Subsection 85.85.30.e.

24. **Suspense Account (Account 01P) review.** At fiscal year-end all GL codes in Account 01P must be reviewed and cleared out if appropriate. Refer to Subsection 85.20.60.

    ER report to use: Accounting/Agency Trial Balance

25. **Transfer balancing.** Transfers (Revenue Source Codes 0484 and 06XX, and Object M) are to be in balance (i.e., net to zero) at the agency level. Refer to Subsection 85.90.50.

    ER report to use: Accounting/Transfers

26. **Travel advances outstanding reclassification.** Travel advances recorded in GL Code 1383 "Travel Advances" should agree to the agency's underlying documentation by employee. Refer to Subsections 85.54.44 and 10.80.60.

27. **Unavailable and unearned revenue review.** Review unavailable revenues recorded in governmental fund type accounts (GL Codes 5192 and 5292) and unearned revenues recorded in both governmental and proprietary fund type accounts (GL Codes 5190 and 5290). Refer to Subsections 85.70.40, 85.70.45, and 90.20.20.

    ER reports to use: Accounting/Agency Trial Balance or Accounting/ General Ledger Account Analysis Flexible

90.20.70.c **Federal revenue/expenditure balancing**

Federal assistance financial information required to be reported on the Schedule of Expenditure of Federal Awards (SEFA) should be reconciled and adjusted, as needed, and posted to AFRS during Phase 2. For further information, refer to Chapter 95.

90.20.70.d **Disclosure form information should be accurately recorded in AFRS**

State disclosure forms must be completed by the due dates detailed in Subsection 90.40.10.

90.20.80 Office of Financial Management analysis and CAFR preparation

June 1, 2016

90.20.80.a Following the close of Phase 2, OFM analyzes the balances in AFRS and the information collected through the disclosure form application for reasonableness. State agencies are not allowed to make entries into AFRS after Phase 2 close unless approved by OFM.

90.20.80.b OFM prepares the CAFR in accordance with generally accepted accounting principles and works with the State Auditor's Office (SAO) throughout the CAFR audit.

90.20.80.c Once the SAO issues their opinion on the state's CAFR, AFRS data is considered final and will be used by the state for all subsequent fiscal year reports. This includes budgetary control reporting and preparation of biennial budget requests.

90.20.80.d Agencies preparing and/or publishing agency financial statements are to use the final audited AFRS data. Refer to Subsection 90.10.60.

90.20.90 State Auditor's Office audit

June 1, 2016

90.20.90.a During the fiscal year end cut-off process, SAO may recommend **material** adjustments to agencies' balances. Agencies are to review these recommended adjustments and notify their assigned OFM Accounting Consultant of the adjustments promptly.

90.20.90.b All audit adjustments are recorded on a journal voucher form or equivalent toolbox entry, assigned a current document number by the audited agency, indicating the applicable biennium and fiscal month, and signed by the audited agency's fiscal officer indicating agreement or disagreement. Agencies are to cooperate with and assist the auditor, to ensure the audit adjustment journal voucher is complete and accurately prepared.

90.20.90.c Agencies are to submit SAO audit adjustments to OFM promptly. SAO audit adjustments are to be reviewed by the agency's assigned OFM Accounting Consultant. If appropriate, OFM will post the recommended adjustments in AFRS.

90.30 Fiscal Year-End Cut-Off Illustrative Entries

90.30.10 These entries are for illustrative purposes

June 1, 2016

The following entries illustrate the recording of year-end financial transactions. These entries are for illustrative purposes **only** and should **not** be considered all-inclusive.

Entries posted to GL Code series 71XX "In-Process" in treasury and treasury trust accounts also require an entry from the Office of the State Treasurer (OST) to clear the In-Process GL codes, as illustrated below.

	Dr.	**Cr.**
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST Only) (4310)		xxx

This OST entry would be reversed for In-Process debit amounts.

90.30.20 Cash revenues

June 1, 2016

90.30.20.a To record cash revenues earned and received during the fiscal year (between July 1 and June 30) and **deposited** in the State Treasury (for treasury accounts) or a local bank account (for local accounts) by June 30. Refer to Subsections 85.20.10 and 90.20.10.

	Dr.	**Cr.**
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Revenues (3210) (with appropriate revenue source code)		xxx

90.30.20.b To record cash revenues earned and **received by June 30** and recorded by the AFRS June cut-off, but not deposited/receipted in the State Treasury (for treasury accounts) or a local bank account (for local accounts) by June 30.

Operating agency - concluding fiscal year:	**Dr.**	**Cr.**
Undeposited Local Cash (1120) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Revenues (3210) (with appropriate revenue source code)		xxx

OST - ensuing fiscal year - for treasury accounts:	**Dr.**	**Cr.**
Current Treasury Cash Activity (OST Only) (4310)	xxx	
Receipts In-Process (7110) or		xxx
Journal Vouchers In-Process (7140)		

Operating agency - ensuing fiscal year - for local accounts:	**Dr.**	**Cr.**
Cash in Bank (1110)	xxx	
Undeposited Local Cash (1120)		xxx

90.30.30 Material prior period adjustments

June 1, 2016

Material prior period adjustment entries have the effect of adjusting beginning fund balance/equity. These entries must be submitted to the OFM Accounting Consultant assigned to the agency for approval and entry. Full footnote disclosure must accompany these adjustments.

90.30.30.a To record **material** prior period adjustments to beginning real account balances (equity). Refer to Subsection 90.20.15.a.

Office of Financial Management:	**Dr.**	**Cr.**
GL Code to be Adjusted (XXXX)	xxx	
Prior Period Material Corrections (OFM Only) (9720)		xxx

90.30.30.b To record **material** prior period adjustments to the Subsidiary Accounts 997 and 999, debit and credit adjustments are offset to GL Code 9910 “Current Period Clearing Account (Subsidiary Accounts Only).” Refer to Subsection 90.20.15.b.

For purposes of this example, assume that an agency discovers that $5.0 million of equipment, with associated allowance for depreciation of $4.4 million, remains in the Capital Assets Subsidiary Account 997 long after the equipment has become obsolete and effectively retired.

Office of Financial Management:	**Dr.**	**Cr.**
Allowance for Depreciation (2420)	4.4M	
Current Period Clearing Account (Subsidiary Accounts Only) (9910)	.6M	
Furnishings and Equipment (2410)		5.0M
Investment in Capital Assets (9850)	.6M	
Current Period Clearing Account (Subsidiary Accounts Only) (9910)		.6M

Note: The ending balance in GL Code 9910 must be zero.

90.30.35 Immaterial prior period adjustments and corrections

June 1, 2016

90.30.35.a To write off an unliquidated prior year estimated payable accrual. For purposes of this example, assume that an agency recorded an estimated accrual in the amount of $20,000 and received actual bills in the subsequent fiscal year totaling $19,500. The residual balance of $500 in GL Code 5111 "Accounts Payable" should be adjusted through GL Code 3215 "Immaterial Adjustments to Prior Periods," Revenue Source Code 0486 "Recoveries of Prior Expenditure Authority Expenditures." Refer to Subsection 90.20.45.

	Dr.	**Cr.**
Accounts Payable (5111)	500	
Immaterial Adjustments to Prior Periods (3215)		500
Revenue Source Code (0486) "Recoveries of Prior Expenditure Authority Expenditures"		

90.30.35.b To clear an overliquidated prior year estimated payable accrual. For purposes of this example, assume that an agency recorded an estimated accrual in a prior year in the amount of $10,000 and received actual bills in the subsequent year totaling $12,000. The balance ($2,000) in excess of the estimated accrual is a current year expenditure and, if the account involved is appropriated, the expenditure may be a belated claim. Refer to Subsections 90.20.15.e and 85.40.10.

	Dr.	**Cr.**
Accounts Payable (5111)	10,000	
Cash Expenditures/Expenses (6510) (with appropriate subobject)	2,000	
Warrants/ACH Payments In-Process (7120)		12,000

90.30.35.c To record the recovery of an expenditure charged against a prior period expenditure authority. For purposes of this example, assume that an agency paid their electric bill in the amount of $5,000. In the subsequent fiscal year the agency received a refund for an energy credit in the amount of $500. The $500 is recorded in the current fiscal year using GL Code 3210 "Cash Revenues" with Revenue Source Code 0486 "Recoveries of Prior Expenditure Authority Expenditures." Refer to Subsection 90.20.15.

	Dr.	Cr.
Cash in Bank (1110) or Receipts In-Process (7110)	500	
Cash Revenues (3210) Revenue Source Code (0486) "Recoveries of Prior Expenditure Authority Expenditures"		500

90.30.35.d To adjust a receivable that was overestimated. For purposes of this example, assume that an agency recorded an estimated receivable in the amount of $25,000 and in the subsequent year received payment in full of $20,000. After liquidating the receivable for the amount received, the residual balance is adjusted through current year revenue. Refer to Subsection 90.20.20.e.

	Dr.	Cr.
Accrued Revenues (3205) (with appropriate source code)	5,000	
Accounts Receivable (1312)		5,000

90.30.35.e To adjust a receivable that was underestimated. For purposes of this example, assume that an agency recorded an estimated receivable in the amount of $20,000 and in the subsequent year received payment in full of $30,000. After liquidating the receivable for the amount received, the residual balance is adjusted through current year revenue. Refer to Subsection 90.20.20.e.

	Dr.	Cr.
Accounts Receivable (1312)	10,000	
Accrued Revenues (3205) (with appropriate source code)		10,000

90.30.35.f To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that equipment cost is understated in AFRS by $10,000. Refer to Subsection 90.20.15.f. If the agency discovers that the equipment cost is overstated, the entry would be reversed.

	Dr.	Cr.
Furniture and Equipment (2410)	10,000	
Capital Asset Adjustment (General Capital Asset Subsidiary Account Only) (6597) Subobject WF "Capital Asset Adjustment"		10,000

90.30.35.g To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that the allowance for depreciation is understated in AFRS by $7,500. Refer to Subsection 90.20.15.f.

	Dr.	Cr.
Depreciation/Amortization Expense (General Capital Assets Subsidiary Account Only) (6591) Subobject WA "Depreciation/Amortization"	7,500	
Allowance for Depreciation – Furnishings and Equipment (2420)		7,500

90.30.35.h To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that the allowance for depreciation is overstated in AFRS by $8,500. Refer to Subsection 90.20.15.f.

	Dr.	Cr.
Allowance for Depreciation – Furnishings and Equipment (2420)	8,500	
Capital Asset Adjustment (General Capital Asset Subsidiary Account Only) (6597) Subobject WF "Capital Asset Adjustment"		8,500

90.30.40 Accrued, unavailable and unearned revenues

June 1, 2016

90.30.40.a To record revenues earned but not received by June 30. Refer to Subsection 90.20.20.

	Dr.	Cr.
Appropriate Receivable GL Code (13XX)	xxx	
Accrued Revenues (3205) (with appropriate revenue source code)		xxx

90.30.40.b To record receipt of accrued revenues in the **ensuing fiscal year** and deposit in the State Treasury (for treasury accounts) or a local bank account (for local accounts). Refer to Subsection 90.20.20.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts in-Process (7110) or		
Journal Vouchers In-Process (7140)		
Appropriate Receivable GL Code (13XX)		xxx

Note: For revenue accrued at the end of the first fiscal year of the biennium, this entry is accompanied by a reversal of the accrued revenue - debit GL Code 3205 “Accrued Revenues,” and credit GL Code 3210 “Cash Revenues” in the second fiscal year.

90.30.40.c To record a long-term receivable in a governmental fund type account for revenue which meets the asset recognition criteria but is not expected to be collected within one year. Refer to Subsection 90.20.20.e.

	Dr.	Cr.
Appropriate Long-term Receivable GL Code (16XX)	xxx	
Unavailable Revenues (5292)		xxx

90.30.40.d To record the receipt of cash or to record a receivable for which the earnings process is not yet complete. Refer to Subsection 90.20.20.f

	Dr.	Cr.
Appropriate Cash or In-Process GL Code (1110) or (71XX) or	xxx	
Appropriate Receivable GL Code (13XX) or (16XX)	xxx	
Unearned Revenues (5190) or (5290)		xxx

90.30.50 Vendor payment transactions

June 1, 2016

Refer to Subsection 85.36.20 for information on payment methods available to state agencies.

90.30.50.a To record cash expenditures/expenses for goods and services received and **paid for** during the fiscal year (prior to June 30). Refer to Subsection 90.20.10.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (with appropriate subobject)	xxx	
Cash in Bank (1110) or Warrants/ACH Payments In-Process (7120) or Journal Vouchers In-Process (7140)		xxx

90.30.50.b To record the accrual of actual expenditures/expenses for goods and services received but **not paid for by June 30**. Refer to Subsections 90.20.25 through 90.20.40.

	Dr.	Cr.
Accrued Expenditures/Expenses (6505) (with appropriate subobject)	xxx	
Appropriate Payable GL Code (51XX)		xxx

90.30.50.c To record payment of accrued expenditures/expenses in the **ensuing fiscal year**.

This entry is system generated in AFRS agencies when using payment-producing transaction codes:

	Dr.	Cr.
Appropriate Payable GL Code (51XX)	xxx	
Cash in Bank (1110) or Warrants/ACH Payments In-Process (7120) or Journal Vouchers In-Process (7140)		xxx

Note: For expenditures charged to a biennial expenditure authority accrued at the end of the first fiscal year of the biennium, this entry is accompanied by a reversal of the accrued expenditure - debit GL Code 6510 “Cash Expenditures/Expenses,” and credit GL Code 6505 “Accrued Expenditures/Expenses.”

90.30.50.d To record the accrual of **estimated** expenditures/expenses for goods and services received but not paid for by June 30. Usually the invoice has not been received by Phase 1 close. Estimated expenditures/expenses may also be items for which you anticipate an invoice amount based upon expenditure trend information, such as regular quarterly invoices. Refer to Subsections 90.20.30 through 90.20.40 and 90.20.55.

Concluding fiscal year at expenditure authority end:	**Dr.**	**Cr.**
Estimated Accrued Expenditures/Expenses (6560) (with appropriate subobject)	xxx	
Appropriate Payable GL Code (51XX)		xxx

Ensuing fiscal year:	**Dr.**	**Cr.**
Appropriate Payable GL Code (51XX)	xxx	
Cash in Bank (1110) or		xxx
Warrants/ACH Payments In-Process (7120)		

Note: At the end of the first year, estimated accruals against biennial expenditure authorities are recorded in GL Code 6505 "Accrued Expenditures/Expenses."

90.30.60 Encumbrance transactions

June 1, 2016

90.30.60.a To record encumbrances for budgeted accounts during the fiscal year. Refer to Section 85.30 and Subsections 90.20.25 through 90.20.40.

	Dr.	**Cr.**
Encumbrances (6410)	xxx	
Reserved for Encumbrances (9510)		xxx

90.30.60.b To record liquidations of encumbrances for budgeted accounts when paid or accrued.

	Dr.	**Cr.**
Reserved for Encumbrances (9510)	xxx	
Encumbrances (6410)		xxx

90.30.60.c To record the **end-of-biennium** capital appropriation encumbrances for projects that has been **reappropriated** in the ensuing biennium. Refer to Subsection 90.20.40.d.

Concluding fiscal year at biennium end:	**Dr.**	**Cr.**
Reserved for Encumbrances for Reappropriated Capital Appropriations (9513)	xxx	
Encumbrances (6410)		xxx

Ensuing fiscal year:	**Dr.**	**Cr.**
Encumbrances (6410)	xxx	
Reserved for Encumbrances for Reappropriated Capital Appropriations (9513)		xxx

90.30.70 Interagency reimbursements (Object S)

June 1, 2016

90.30.70.a To record an interagency reimbursement received by a **budgeted proprietary fund type account** for salaries and benefits during the fiscal year. Refer to Subsections 85.90.60.b, 85.95.60 and 90.20.70.b.

	Dr.	**Cr.**
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Expenditures/Expenses (6510) Subobject SA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject SB (Benefits)		xxx
Expense Adjustments/Eliminations (GAAP) (6525) Subobject SA (Salaries)	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject SB (Benefits)	xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) (with appropriate revenue source code)		xxx

90.30.70.b To record an interagency reimbursement received by a **non-budgeted proprietary fund type account** during the fiscal year.

	Dr.	**Cr.**
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Revenues (3210) (with appropriate revenue source code)		xxx

90.30.70.c To record an interagency reimbursement received by accounts **other than proprietary fund type accounts** for salaries and benefits during the fiscal year.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Expenditures/Expenses (6510) Subobject SA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject SB (Benefits)		xxx

90.30.80 Intra-agency reimbursements (Object T)

June 1, 2016

90.30.80.a To record an intra-agency reimbursement received by a **budgeted proprietary fund type account** for salaries and benefits during the fiscal year. Refer to Subsections 85.90.60.a, 85.95.50 and 90.20.70.b.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Expenditures/Expenses (6510) Subobject TA (Salaries)		xxx
. Cash Expenditures/Expenses (6510) Subobject TB (Benefits)		xxx
Expense Adjustments/Eliminations (GAAP) (6525) Subobject TA (Salaries)	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject TB (Benefits)	xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) (with appropriate revenue source code)		xxx

90.30.80.b To record an intra-agency reimbursement received by a **non-budgeted proprietary fund type account** during the fiscal year.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Revenues (3210)		xxx
(with appropriate revenue source code)		

90.30.80.c To record an intra-agency reimbursement received by accounts **other than proprietary fund type accounts** for salaries and benefits during the fiscal year.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Expenditures/Expenses (6510) Subobject TA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject TB (Benefits)		xxx

90.30.90 Fund Balance Reclassification

June 1, 2016

To record a reclassification of fund balance. For purposes of this example, assume that bond proceeds are deposited in Account 064, that some proceeds remain unspent at year end and that the bond resolution restricts the use of the unspent proceeds. Per Subsection 75.30.50, Account 064 has a designated closing GL Code of 9310 “Committed for Higher Education.” In light of the bond resolution and the descriptions of the fund balance GL codes in Subsection 75.40.20, the agency determines that the unspent bond proceeds portion of the amount in GL Code 9310 should be reclassified to GL code 9230 “Restricted for Higher Education.” This entry increases the restricted fund balance GL code and decreases the committed fund balance GL code.

	Dr.	Cr.
Committed for Higher Education (9310)	xxx	
Restricted for Higher Education (9230)		xxx

90.40
State Disclosure Forms

90.40.10 Introduction to state disclosure forms and lead sheet

June 1, 2016

Information collected in the state Disclosure Forms application facilitates the preparation of the state of Washington's *Comprehensive Annual Financial Report* (CAFR) by the Office of Financial Management (OFM).

The state Disclosure Forms application is an electronic way of capturing detail data for various aspects of an agency's activities. Each of the disclosure forms covers specific detail or other information that is not readily available from the data collected in AFRS.

All forms are completed online. The signed Financial Disclosure Certification form including attachments, as necessary, is to be emailed to OFMAccounting@ofm.wa.gov by September 14, 2016.

Due Dates	Reporting Items
August 19, 2016	Phase 1B Close: • Certain state disclosure forms* • Pollution Remediation site status report, refer to Subsection 90.40.75 • Interagency Receivable/Payable balancing, refer to Subsection 90.20.50
September 2, 2016	Phase 2 Close - remaining state and all federal disclosure forms
September 14, 2016	Financial Disclosure Certification form
January 31, 2017	Federal Assistance Certification form

*****Phase 1B is the due date for the following state disclosure forms:

- Bond Debt by Major Class – Summary of Activity Disclosure
- Bonds Payable General Disclosure
- Bond Sales Disclosure
- Cash and Investments General Disclosure
- Cash and Investments Restricted Disclosure
- Cash on Hand and in Bank Disclosure
- Certificates of Deposit (Non-negotiable) Disclosure
- Certificates of Participation Disclosure - Agencies
- Certificates of Participation Disclosure - OST

If your agency cannot complete some or all of the Phase 1B forms listed above by August 19, 2016, you need to request an extension by sending a memo to your assigned OFM Accounting Consultant. The memo should list the form(s) for which an extension is needed and the date by which your agency can complete the form(s).

In order to accurately complete the disclosure forms by the due date, agencies should review the information in the Agency Financial Reporting System (AFRS) that is associated with the information on the disclosure forms and make necessary adjustments in AFRS prior to the end of Phase 2.

Each agency is **required** to complete the following state disclosure forms:

- Miscellaneous
- Financial Disclosure Certification

The remainder of the disclosure forms may or may not apply to your agency.

Specify on the lead sheet if a form is completed or not applicable by selecting "Yes" or "N/A" in the "Completed" column. If there is AFRS data pre-filled on a disclosure form for your agency, the Lead sheet will identify the form as "Required" and you must complete it.

All reporting of financial information is to be in **whole dollars**. Do not enter pennies, decimal points, dollar signs, etc. Refer to the "Tips" screen in the Disclosure Form application for more helpful information.

All financial information reported is to be reconciled to AFRS. Reports in Enterprise Reporting (ER) are available to assist in the reconciliation process. Agencies are encouraged to use these reports throughout the year to monitor reconciliation status.

To complete the state disclosure forms, access the state Disclosure Forms application at: http://www.ofm.wa.gov/systems/default.asp . The "Access to systems" page is divided into "Access from within the State Intranet" and "Access from outside the State Intranet." Click on the Disclosure Forms icon. Use an authorized User ID and password, and select the "State Forms" tab.

If you have a question regarding disclosure form reporting, contact your assigned OFM Accounting Consultant.

State Disclosure Form Lead Sheet

Agency Code: _____ Agency Title: _____

State Disclosure Forms	SAAM	Required	Completed
Due August 19, 2016 - Phase 1B Disclosure Forms			
Bond Debt by Major Class – Summary of Activity Disclosure	90.40.55		Yes / N/A
Bonds Payable General Disclosure	90.40.55		Yes / N/A
Bond Sales Disclosure	90.40.55		Yes / N/A
Cash and Investments General Disclosure	90.40.20		Yes / N/A
Cash and Investments Restricted Disclosure	90.40.20		Yes / N/A
Cash on Hand and in Bank Disclosure	90.40.20		Yes / N/A
Certificates of Deposit (Non-negotiable) Disclosure	90.40.20		Yes / N/A
Certificates of Participation Disclosure – Agencies	90.40.45		Yes / N/A
Certificates of Participation Disclosure – OST	90.40.45		Yes / N/A
Due September 2, 2016 - Phase 2 Disclosure Forms			
Capital Assets - Summary of Activity Disclosure	90.40.38		Yes / N/A
Inventory Disclosure	90.40.35		Yes / N/A
Lease Disclosure	90.40.45		Yes / N/A
Liabilities by Major Class – Summary of Activity Disclosure	90.40.45		Yes/ N/A
Long-Term Construction Commitments Disclosure	90.40.40		Yes / N/A
Miscellaneous Disclosure	90.40.75	**Required**	Yes
Pension Disclosure – Higher Education	90.40.70		Yes / N/A
Pension Disclosure – DRS	90.40.70		Yes / N/A
Taxes Receivables Disclosure	90.40.30		Yes / N/A
Transfer Disclosure	90.40.60		Yes / N/A
Unavailable and Unearned Revenues Disclosure	90.40.50		Yes / N/A
Due September 14, 2016 - Certification			
Financial Disclosure Certification	90.40.95	**Required**	Yes

90.40.20 Cash and investments disclosure

June 1, 2016

General Instructions

Local and treasury accounts. Agencies with **balances** at June 30 in the following general ledger (GL) codes are required to complete the cash and investments disclosure forms as applicable:

- 1110 Cash in Bank
- 1120 Undeposited Local Cash
- 1130 Petty Cash
- 1140 Restricted Cash and Investments, Current Operations
- 1150 Cash with Fiscal Agents
- 1205 Temporary and/or Pooled Cash Investments
- 1209 Short-Term Portion of Long-Term Investments
- 1210 Investments
- 1215 Investments under Reverse Repurchase Agreements
- 1216 Collateral held under Securities Lending Agreements
- 1220 Unamortized Premiums on Investments
- 1230 Unamortized Discounts on Investments
- 1240 Restricted Cash and Investments, Noncurrent
- 1280 Valuation Allowance - Investments

Amounts covered by the Federal Deposit Insurance Corporation (FDIC), the Public Deposit Protection Commission (PDPC), or the National Credit Union Administration (NCUA) are considered to be insured or collateralized**.** In general,

- FDIC insurance separately covers demand deposits and interest bearing deposits up to $250,000 each, per taxpayer identification number (TIN), per bank.

- PDPC provides for a collateral pool for protection of balances in excess of the FDIC limits on deposit with Washington public depositories.

- NCUA insurance covers federal and state-chartered credit union accounts up to $250,000 per TIN, per credit union. Per chapter 39.58 RCW, $250,000 is the maximum deposit allowed in any one credit union, and excess deposits are not covered by the PDPC.

Uninsured/uncollateralized balances would include those deposited in out-of-state and alien banks.

There are three cash and investment disclosure forms:

90.40.20.a **Cash and Investments General Disclosure**

This form contains general questions concerning an agency's cash and investment activity. Information provided should be on an agency-wide basis.

90.40.20.b **Cash and Investments Restricted Disclosure**

This form contains questions about restricted cash. Balances in GL Codes 1140 and 1240 “Restricted Cash and Investments” and GL Code 1150 “Cash with Fiscal Agents” are prefilled from AFRS and agencies are asked to provide a description of the nature of the restriction. The form also asks agencies to report unspent bond proceeds and any other externally restricted cash and investments recorded in AFRS at June 30.

90.40.20.c **Cash on Hand and in Bank Disclosure**

This form requests information concerning an agency's cash in bank by GL code as well as information on petty cash funds and undeposited receipts held in cash. Agencies are to report the following:

1. The June 30 total cash on hand.
2. The June 30 cash balance in bank as stated by the bank (i.e., bank statement), categorized by:
    - Insured or Collateralized
    - Uninsured/Uncollateralized
3. The June 30 book balance as reported in Agency Financial Reporting System (AFRS).

Except for accounts with very little activity, book and bank balances will normally be different due to outstanding checks and/or deposits in transit.

Explain the reason for any differences between book and bank balances in the comment box. Also explain in the comment box the reason and/or nature of any amounts listed in the Uninsured/Uncollateralized column.

90.40.20.d **Certificates of Deposit (Non-negotiable) Disclosure**

This form is required to be completed if an agency has non-negotiable certificates of deposit reported in GL Codes:

- 1140 Restricted Cash and Investments, Current Operations,
- 1150 Cash with Fiscal Agents,
- 1205 Temporary and/or Pooled Cash Investments,
- 1209 Short-Term Portion of Long-Term Investments,
- 1210 Investments, or
- 1240 Restricted Cash and Investments, Noncurrent.

Certificates of Deposits (CDs) held by agencies (other than the State Investment Board) are generally non-negotiable. One of the features of non-negotiable certificates of deposit is a penalty when it is redeemed prior to maturity. Such certificates of deposits should be reported on this disclosure form. (Historically, only SIB has held negotiable CDs. Negotiable certificates of deposits should not be reported on this disclosure form.)

Cash and Investments General Disclosure

Agency Code: _____ Agency Title: _____

90.40.20.A Cash and Investments General Disclosure

1. During the fiscal year, has there been a change in the types of **deposits or investments** that your agency is authorized by legal or contractual provisions to carry?

   No _____ Yes _____ If yes, provide a description of the changes.

2. Did your agency have any significant or recurring violations of legal or contractual provisions for **deposits** with financial institutions and **investments** during the fiscal year?

   No _____ Yes _____ If yes, provide a description of the violations.

3. During the fiscal year, did your agency have any **deposit or investment** situations that resulted in significantly greater relative credit risk than that existing as of fiscal year-end?

   No _____ Yes _____ If yes, provide a description of the situations.

4. Provide a list of financial institutions where any **deposits** under the control of your agency are held. Also, report the number of accounts at each institution. Be sure to include all petty cash accounts, local funds, and lock box accounts (i.e., any account where money is deposited outside the state treasury).

   _____

5. If your agency has **deposits** of $500,000 or more at any one financial institution, provide the name of the institution, the amount, and the purpose. Note**:** Deposits include demand deposits, money market deposit accounts, time certificates of deposits, and savings deposits.

Name of Institution	Amount	Purpose

6. Has your agency entered into any agreements that commit the state, upon request, to make additional investment purchases?

   No _____ Yes _____ If yes, provide a listing of the unfunded investment commitments by type of investment.

   _____

Cash and Investments General Disclosure – continued

7. Did your agency engage in **securities lending** activities during the fiscal year?

No _____ Yes _____ If yes, provide the following information:

a. Legal and contractual authorization for use of securities lending transactions and any significant violations of these provisions;

b. General description of securities lending transactions during the fiscal year, including the following information: the types of securities lent, the types of collateral received, whether the government has the ability to pledge or sell collateral securities without a borrower default, the amount by which the value of the collateral provided is required to exceed the value of the underlying securities, any restrictions on the amount of the loans that can be made, and any indemnification provided to the agency by its securities lending agent;

c. Carrying amount and fair value of underlying securities as of fiscal year-end;

d. Whether the maturities of the investments made with cash collateral generally match the maturities of the securities on loan, as well as the extent of such matching at fiscal year-end;

e. The amount of credit risk, if any, related to the securities lending transactions; and

f. The amount of any losses on securities lending transactions during the period resulting from default of a borrower or lending agent and any amounts recovered from prior period losses.

8. Did your agency engage in **reverse repurchase agreements** during the fiscal year?

No _____ Yes _____ If yes, provide the following information:

a. Legal and contractual authorization for use of reverse repurchase agreements and any significant violations of these provisions;

b. Reverse repurchase agreements as of fiscal year-end, including the credit risk related to the agreements;

c. Whether the maturities of the investments made with the proceeds of reverse repurchase agreements generally are matched to the maturities of the agreements during the fiscal year, as well as the extent of such matching as of year-end; and

d. Losses, if any, recognized during the fiscal year, due to default by counterparties to reverse repurchase agreements, and any amounts recovered from prior period losses.

Cash and Investments General Disclosure – concluded

9. Did your agency invest in **derivatives** during the fiscal year?

No _____ Yes _____ If yes, provide the following information:

a. Legal and contractual authorization for use of derivatives and any significant violations of these provisions;
b. The nature of the derivatives used, held, or written during the fiscal year and the reasons for entering into them; and
c. The amount of credit risk, market risk, and legal risk related to derivative transactions to the extent that these risks are above and beyond the risks that are otherwise apparent in agency disclosures of investment activities and balances.
d. Did your agency invest in hedging derivative instruments and/or investment derivative instruments during the fiscal year? If so, the state is required to disclose certain information related to derivative instrument activity during the year and the balances at the end of the year. In order to ensure that the appropriate information is available for disclosure purposes, please provide agency contact information (name, phone number, and email address).

Cash and Investments – Restricted Disclosure

Agency Code: _____ Agency Title: _____

90.40.20.B Cash and Investments Restricted Disclosure

1. **GL Code 1140 Restricted Cash and Investments - Current Operations**

   Per SAAM Subsection 75.40.20, GL Code 1140 is used to record restricted cash and investments held by escrow agents and trustees that will be used in current operations for the payment of current liabilities. Examples include amounts held pursuant to a third party agreement that will be expended for current operations and amounts held to liquidate a current liability such as the retained percentage of contracts payable.

   Please provide details about the balance in AFRS in GL Code 1140 at June 30.

Account	Amount	Describe the restriction

2. **GL Code 1240 Restricted Cash and Investments - Noncurrent**

   Per SAAM Subsection 75.40.20, GL Code 1240 is used to record cash and investments held by escrow agents and trustees that are restricted and will not be used in current operations. Examples include amounts held pursuant to an advance refunding agreement; amounts restricted by debt covenant for the acquisition or construction of noncurrent assets; or amounts held in trust pursuant to a third party agreement that will not be used in current operations.

   Please provide details about the balance in AFRS in GL Code 1240 at June 30.

Account	Amount	Describe the restriction

3. **GL Code 1150 Cash with Fiscal Agents**

   Per SAAM Subsection 75.40.20, GL Code 1150 is used to record cash deposited with fiscal agents for the payment of state obligations. Amounts held **may be** restricted.

   Please provide details about the balance in AFRS in GL Code 1150 at June 30.

Account	Amount	Is this amount restricted?		If yes, describe the restriction.
		No	Yes	

Cash and Investments Restricted Disclosure – concluded

4. **Unspent bond proceeds**

Does your agency have unspent bond proceeds in AFRS cash and investment balances at June 30 (other than amounts already disclosed in #1-3 above)?

No__ Yes__ If yes, please provide the following information:

Account	Amount	GL Code	Comment (optional)

5. **Other Externally Restricted Cash & Investments**

Does your agency have other cash and investment balances held **outside the state treasury** at June 30 that are not available for use in operations because of an **external restriction** (other than the amounts disclosed in #1-4 above)? Examples include: cash and investments held in a bank account outside the treasury for future debt service payments or retainage.

No__ Yes__ If yes, please provide the following information:

Account	Amount	GL Code	Describe the external restriction

Cash on Hand and in Bank Disclosure

Example:

Agency Code: *0123* Agency Title: *Any Agency*

90.40.20.C Cash on Hand and in Bank Disclosure

			Cash in Bank+					
Account Code & Title	**GL Code & Title**	**Cash on Hand**	**Insured or Collateralized**	**Uninsured Uncollater-alized***	**Total on Hand and in Bank**	**AFRS Amount**	**Variance***	**Comments**
001 General Fund	*1130 – Petty Cash*	*0*	*3,221*	*0*	*3,221*	*3,000*	*221*	*Outstanding checks*

+ The total of these two columns should equal the cash balance on the June 30 bank statement(s).

*Note: Explain any variance in the Comments field. For example, "the variance is due to outstanding checks," or "the variance is due to deposits in transit." Also explain in the Comments field the reason and/or nature of any amounts listed in the Uninsured/Uncollateralized column.

*Note: If you have AFRS data in this form you also need to complete the "Cash and Investments General Disclosure" form.

Certificates of Deposit (Non-negotiable) Disclosure

Agency Code: _____ Agency Title: _____

90.40.20.D Certificates of Deposit (Non-negotiable) Disclosure

Account Code & Title	GL Code & Title	Insured or Collateralized	Uninsured Uncollateralized	Total

90.40.30 Taxes Receivable disclosure

June 1, 2016

General Instructions

All agencies with taxes as of fiscal year-end are required to complete the Taxes Receivable Disclosure form (90.40.30.A).

The balances in the following tax related GL Codes are to be reported by account and by type.

- 1311 - Taxes Receivable
- 1328 - Tax Liens Receivable
- 1611 - Long-Term Taxes Receivable

The types of taxes receivable include the following:

- Property
- Sales
- Business and occupation
- Estate
- Fuel
- Real estate excise tax
- Insurance premium
- Beer and wine
- Marijuana
- Other (a description is required)

The amounts for each related allowance GL Code need only be reported by account.

- 1341 - Allowance for Uncollectible Taxes Receivable
- 1348 - Allowance for Uncollectible Tax Liens Receivable
- 1641 - Allowance for Uncollectible Long-Term Taxes Receivable

Taxes Receivable Disclosure

Agency Code: _____ Agency Title: _____

90.40.30.A Taxes Receivable Disclosure

Taxes Receivable

Account Code & Title	GL Code & Title	Tax Type	Description of Other (required)	Amount

Note: An Account/GL Code may have more than one tax type.

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

90.40.35 Inventory disclosure

June 1, 2016

General Instructions

All agencies with balances at fiscal year-end in inventory GL codes are required to complete the Inventory Disclosure form (90.40.35.A) for all accounts regardless of the value. Identify the method used to value each type of inventory.

There are two types of inventories - consumable inventories (GL Codes 1410 and 1415) and merchandise inventories (GL Codes 1420, 1430, 1440, and 1450). Consumable inventories are assets that are consumed in the course of an agency's business. Merchandise inventories, on the other hand, are assets held for resale. Merchandise and consumable inventories are mutually exclusive and are accounted for separately.

Refer also to Subsections 35.10.40 and 35.10.45.

For inventories on hand, other than donated consumable inventories, agencies are to select the applicable valuation method. Donated consumable inventories are recorded at fair value at time of acquisition.

Inventory methods include:

- **First-in, first-out (FIFO)** - This method allocates costs on the assumption that goods are consumed/sold in the order in which they were acquired. In other words, the first goods purchased are assumed to be the first used or sold. Thus, inventory on-hand is assumed to represent the most recent acquisitions.

- **Last-in, first-out (LIFO)** - This method allocates costs on the assumption that the last units acquired are the first units consumed/sold. Thus, inventory on-hand is assumed to come from earlier acquisitions.

- **Weighted average (W.A.)** - In general, this method values ending inventory based on the average cost per unit for the period.

- **Other** – An agency may use an inventory valuation method other than those described above as defined in writing by the agency inventory officer. If an agency uses another method, list the valuation method used.

Inventory Disclosure

Agency Code: _____ Agency Title: _____

90.40.35.A Inventory Disclosure

Account Code & Title	GL Code & Title	Valuation Method	Description of Other Method	Amount

Note: An Account/GL Code may have more than one valuation method.

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

90.40.38 Capital assets – summary of activity disclosure

June 1, 2016

General Instructions

All agencies with capital assets (GL Code series 2XXX) are required to complete the Capital Assets - Summary of Activity Disclosure form (90.40.38.A).

The debit and credit amounts shown on a trial balance report may not reflect true additions and/or deletions due to certain transactions and adjustments that inflate true activity. An example of inflated activity would be when an erroneous transaction is not backed out using a reverse code with the original transaction code. Agencies should **adjust AFRS to reflect their true activity** during the fiscal year, as reported in the disclosure form. For information and tools related to capital asset transactions, refer to our resources website at: http://www.ofm.wa.gov/resources/capitalassets.asp.

Additions to capital assets should be those purchases or reclassifications that meet the state's capitalization policy.
Deletions should reflect the sale or disposal of an asset.
Adjustments may include:

- Immaterial prior year corrections, such as an adjustment to the cost of an asset (increase or decrease) using GL Code 6597 Subobject WF in Account 997
- Transfers between agencies and/or accounts
- Impairments

Refer to Sections 30.20 and 85.60 and Subsection 90.20.15.f.

Increases to **allowance for depreciation** should be the result of and equal to increases in depreciation expense. Reductions in allowance for depreciation should be related to the sale or disposal of an asset.
Adjustments may include:

- Immaterial prior year corrections, such as a decrease to the allowance for depreciation using GL Code 6597 Subobject WF in Account 997
- Transfers between agencies and/or accounts
- Impairments

Agencies reporting activity in Account 997 "General Capital Assets Subsidiary Account" should review their capital asset activity coded to **Subobjects JC – JZ, SJ and TJ** in their governmental fund type account(s) and compare them to the activity in Account 997.

Additionally, capital asset GL balances reported in AFRS are required to be **reconciled to the agency's subsidiary capital asset system** (for example, Capital Asset Management System (CAMS)). Refer also to Subsection 85.60.60.

Capital Assets - Summary of Activity Disclosure

Example:

Agency Code: *0123* Agency Title: *Any Agency*

90.40.38.A Capital Assets - Summary of Activity Disclosure

Capital Assets

Increases in assets will be debit amounts and should be entered as positive numbers. Decreases in assets will be credit amounts and should be entered as negative numbers. Adjustments can be either debit or credit amounts. Examples of Adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR Additions	CR Deletions	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)	Comment
Example 1: Purchase of an asset in a proprietary fund type account.									
608 - Accident Account	*2410 Furnishings and Equipment*	*500,000*	*5,000*	*0*	*0*	*505,000*	*505,000*	*0*	
Example 2: Disposal of an asset in a proprietary fund type account.									
608 - Accident Account	*2350 Leasehold Improv*	*200,000*	*0*	*(200,000)*	*0*	*0*	*0*	*0*	
Example 3: Transfer of assets from a proprietary fund type account to Account 997 "General Capital Assets Subsidiary Account."									
608 - Accident Account	*2210 Buildings*	*28,000,000*	*0*	*0*	*(28,000,000)*	*0*	*0*	*0*	*Transfer of assets from Account 608 to Account 997*
997 – General Capital Assets	*2210 Buildings*	*0*	*0*	*0*	*28,000,000*	*28,000,000*	*28,000,000*	*0*	*Transfer of assets to Account 997 from Account 608*

Capital Assets - Summary of Activity Disclosure – continued

Depreciation and Allowance for Depreciation

Increases to depreciation expense are debits. If you have a credit to depreciation expense, please review and correct it in AFRS if appropriate, otherwise explain it below.

Increases to allowance for depreciation are credits. A debit to allowance for depreciation would be appropriate if there was a sale or disposal of an asset. If an asset is sold or disposed of, the asset GL code is credited and the allowance for depreciation GL code is debited.

Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR	CR	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)**	Comment
Example 4: Record depreciation expense and increase the allowance for depreciation in a proprietary fund type account.									
608 Accident Account	*6511 Depreciation Expense**	*0*	*50,000*	*0*	*0*	*50,000*	*50,000*	*0*	
608 Accident Account	*2420 Allow for Depreciation*	*(200,000)*	*0*	*(50,000)*	*0*	*(250,000)*	*(250,000)*	*0*	
Example 5: Record depreciation expense and increase the allowance for depreciation in Account 997 "General Capital Assets Subsidiary Account."									
997 – General Capital Assets Subsidiary Account	*6591 Depreciation Expense**	*0*	*70,000*	*0*	*0*	*70,000*	*70,000*	*0*	
997 – General Capital Assets Subsidiary Account	*2420 Allow for Depreciation*	*(500,000)*	*0*	*(70,000)*	*0*	*(570,000)*	*(570,000)*	*0*	
Example 6: Disposal of an asset and related allowance for depreciation in a proprietary fund type account.									
608 Accident Account	*2360 Allow for Depreciation*	*(150,000)*	*150,000*	*0*	*0*	*0*	*0*	*0*	

Example 7: Transfer of allowance for depreciation from a proprietary fund type account to Account 997 "General Capital Assets Subsidiary Account."									
608 - Accident Account	*2220 Allow for Depreciation*	*(6,000,000)*	*0*	*0*	*6,000,000*	*0*	*0*	*0*	*Transfer of allow for depn from Account 608 to Account 997*
997 – General Capital Assets Subsidiary Account	*2220 Allow for Depreciation*	*0*	*0*	*0*	*(6,000,000)*	*(6,000,000)*	*(6,000,000)*	*0*	*Transfer of allow for depn to Account 997from Account 608*
Example 8: Immaterial prior year correction to allowance for depreciation. Prior year was over depreciated in Account 997 "General Capital Assets Subsidiary Account)."									
997 – General Capital Assets Subsidiary Account	*2420 Allow for Depreciation*	*(110,000)*	*0*	*0*	*10,000*	*(100,000)*	*(100,000)*	*0*	*Prior period correction to Allow for Depn*

*Data from AFRS
** A minor difference may exist due to rounding.

Reconciliation of Depreciation Expense to Allowance for Depreciation

Debits to depreciation expense should equal credits to allowance for depreciation.

Total Depreciation Expense debits from above:	*120,000*
Total Allowance for Depreciation credits from above:	*(120,000)*
Difference (should be zero):	0

If there is a difference, provide an explanation below:

Capital Assets - Summary of Activity Disclosure

Agency Code: _____ Agency Title: _____

90.40.38.A Capital Assets - Summary of Activity Disclosure

Capital Assets

Increases in assets will be debit amounts and should be entered as positive numbers.
Decreases in assets will be credit amounts and should be entered as negative numbers.
Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR Additions	CR Deletions	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)	Comment

Depreciation and Allowance for Depreciation

Increases to depreciation expense are debits. If you have a credit to depreciation expense, please review and correct it in AFRS if appropriate, otherwise explain it below.
Increases to allowance for depreciation are credits. A debit to allowance for depreciation would be appropriate if there was a sale or disposal of an asset. If an asset is sold or disposed of, the asset GL code is credited and the allowance for depreciation GL code is debited.
Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, impairments, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	GL Code & Title	Beginning Balance from AFRS	DR	CR	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)**	Comment

* Data from AFRS
** A minor difference may exist due to rounding.

Reconciliation of Depreciation Expense to Allowance for Depreciation

Debits to depreciation expense should equal credits to allowance for depreciation.

Total Depreciation Expense debits from above

Total Allowance for Depreciation credits from above _____

Difference (should be zero) _____

If there is a difference, provide an explanation below:

90.40.40 Long-term construction commitments disclosure

June 1, 2016

General Instructions

All agencies with long-term construction commitments are required to complete the Long-Term Construction Commitments Disclosure form (90.40.40.A). The state is required to disclose significant long-term commitments that are not reported in the financial statements. Construction commitments are the most common commitment of this type.

The form is designed to collect both the construction-in-progress project information for the fiscal year-end as recorded in AFRS (GL Code 2510) as well as remaining commitment information. A commitment is viewed as the estimated dollars necessary to complete a project.

Agencies are to list each significant project on a separate line by the account where it is recorded or will be recorded in AFRS. A project is considered significant if the amount of GL Code 2510 "Construction-in-Progress" at fiscal year-end exceeds $2 million or if the remaining commitment exceeds $10 million. All projects that do not meet the criteria for a significant project are to be aggregated and entered at the bottom of the form as "Other Miscellaneous."

The Department of Transportation should disclose commitments made for on-going infrastructure projects regardless of GL code used.

Note: Those amounts to be shown in the "Remaining Commitment" column are those remaining commitments not recorded in AFRS; i.e., not recorded as a disbursement or accrual in fiscal year-end agency financial activity. Occasionally, an agency may have a construction project that involves a significant commitment for the future, but no construction-in-progress has been recorded in AFRS. Such commitments should be disclosed by recording the information on a separate line with zero ($0) in the current "Fiscal Year-End Construction-in-Progress" column.

Long-Term Construction Commitments Disclosure

Agency Code: _____ Agency Title: _____

90.40.40.A Long-Term Construction Commitments Disclosure

Account Code & Title	Project Title	Fiscal Year-End Construction-In-Progress Amount	Remaining Commitment Amount
	Other Miscellaneous		

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

90.40.45 Leases, liabilities by major class – summary of activity, and Certificates of Participation (COPs) disclosure

June 1, 2016

General Instructions

All agencies with operating and/or capital leases, and liability activity and/or balances are required to complete the Lease Disclosure form (90.40.45.A) and the Liabilities by Major Class – Summary of Activity Disclosure form (90.40.45.B). Agencies with Certificates of Participation (COPs) are to complete the Certificate of Participation Disclosure – Agencies form (90.40.45.C). OST (Bond Retirement and Interest Agency) is to complete the Certificates of Participation (COPs) Disclosure – OST form (90.40.45.D).

90.40.45.a

Lease Disclosure

This form collects information about operating and capital leases.

An **operating lease** is rental of an asset with a term of more than one year, where the payments are chargeable as rental or lease expenditures. Most operating leases contain clauses indicating that continuation of the lease is subject to funding by the Legislature. Historically, these leases have been renewed in the normal course of business. Therefore, they are treated as noncancelable for financial reporting purposes.

Operating leases can have a fixed payment schedule or include scheduled rent increases or contingent increases. Scheduled rent increases are fixed in contract while contingent increases are based on changes in specific economic factors, for example, future sales or inflation.

A **capital lease** is a lease that transfers substantially all the benefits and risks inherent in the ownership of property to the state. If at its inception, a lease meets one or more of the four criteria in Subsection 30.20.30, the lease is classified as a capital lease. Otherwise, it is classified as an operating lease. Refer to Subsection 30.20.40 for further information pertaining to accounting for capital leases.

Agencies are to report the following:

1. **Operating leases (state agency is lessee)**

   For all operating leases charged to Subobjects ED and EH during the fiscal year ended June 30 where the rental term was one year or longer, disclose by fund type the total lease expense/expenditures paid to **external** entities (not state agencies) in the “Payments to External Entities” rows. Disclose payments to the Department of Enterprise Services for state-owned property, payments to other state agencies, and internal payments within the agency for operating leases in the “Payments to Other State Agencies and Internal Payments within the Agency” rows.

2. **Total future minimum operating and capital lease payments (state agency is lessee)**

   Agencies disclose, by fund type, total future minimum lease payments for all capital leases and all operating leases paid to **external** entities (not state agencies) having initial noncancelable lease terms in excess of one year, for each of the five succeeding fiscal years and in five year increments thereafter. **Reporting is as of June 30 and should be limited to existing leases. Do not project leases into future periods if there is not a current, existing lease with those terms.**

   Executory and interest costs are not included in the net present value of minimum lease payments. Executory costs for capital leases pertain to insurance, maintenance, and taxes, whether paid by the lessor or lessee. Interest costs refer to "imputed" interest costs, which reduce the net minimum future lease payments to present value. The interest rate to be used in determining the present value of the minimum lease payments is the interest rate the State of Washington would pay on its major bond issues at the inception of the lease. Refer to Subsection 85.85.40.a.(1).

   The net present value of future minimum lease payments for Capital Leases is compared to the AFRS balances in GL Codes 5172 and 5272, including balances in Account 999 "General Long-Term Obligations Subsidiary Account." Any difference must be explained.

3. **Capital leases (state agency is lessee)**

   Agencies disclose the gross amount of assets recorded under capital leases less allowance for depreciation as of June 30. Balances are reported by fund type and by major class of asset. Include capital assets reported in Account 997 "General Capital Assets Subsidiary Account."

   Generally, the net value of assets recorded under capital leases should approximate the net present value of future minimum lease payments recorded in (2) above.

4. **Future operating and capital lease receipts (state agency is lessor)**

   If leasing to **external** entities is a significant part of your agency's business activity in terms of revenues or assets, disclose by fund type, the total future minimum lease payments that you expect to receive as of June 30 for each of the five succeeding fiscal years and in five year increments thereafter.

90.40.45.b **Liabilities by Major Class – Summary of Activity Disclosure**

This form summarizes **liability activity** by major class. For purposes of this disclosure, **major class** is defined as follows:

Liability - Major Class	**GL Codes**
Claims and judgments payable	5113, 5118, 5119, 5149, 5213, 5285, 5286
Leases	5172, 5272
Other obligations	5247, 5297, 5298,5299
Pollution remediation liability	5287
Tuition benefits payable	5184, 5284

- All agencies with liability balances (beginning or ending) and/or activity during the fiscal year in any of the GL codes noted above are required to complete this disclosure form by account.

- Beginning and ending balance columns are automatically filled with data from AFRS. The ending balance will agree with the total column on a Trial Balance report.

- Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

- For this form, **reclassifications** between long-term and short-term GL codes are to be disregarded, and should not be included in the increases (CR) or decreases (DR) columns.

- For **capital leases** (GL Codes 5172 and 5272) recorded in Account 999 “General Long-Term Obligations Subsidiary Account” **new issues** (increases) are to agree to amounts reported in governmental fund-type accounts in Revenue Source Code 0809 “Capital Lease Acquisitions.”

90.40.45.c **Certificates of Participation (COPs) Disclosure – Agencies**

- All agencies with COP balances (beginning or ending) and/or activity during the fiscal year in GL Codes 5173, 5273, 5920, and/or 1911 are required to complete this disclosure form by account.

- Agencies are **required** to reconcile COP fiscal year activity and year-end GL balances to OST's records. An OST COP fiscal year activity and year-end balances report is provided to agencies in July. All COP balances must be reconciled by the close of Phase 1B.

- Beginning and ending balance columns are automatically filled with data from AFRS. The ending balance will agree with the total column on a Trial Balance report.

- For this form, **reclassifications** between long-term and short-term GL codes are to be disregarded, and should not be included in the increases (CR) or decreases (DR) columns.

- For COP (GL Codes 5173 and 5273) recorded in Account 999 "General Long-Term Obligations Subsidiary Account," **new issues** (increases) are to agree to amounts reported in governmental fund type accounts in Revenue Source Codes 0807 "Certificates of Participation" and 0854 " Refunding COPs Issued."

- In proprietary fund type accounts, **new issues** (increases) should equal the par amount of the new COP.

- For GL Code 1911 "Unamortized Discounts on Certification of Participation", the balance is normally a debit, increases are normally debits, and decreases are normally credits. Enter increases in the Increase column, as positive amounts. Enter decreases in the Decrease column, as negative amounts.

90.40.45.d **Certificates of Participation (COPs) Disclosure - OST**

This form is completed by OST. OST reports debt service requirements to maturity for Certificates of Participation (COPs) as well as related arbitrage rebate requirements, if any. Principal amounts entered for the fiscal years disclosed must agree in total to the related GL codes in AFRS.

Lease Disclosure

Agency Code: _____ Agency Title: _____

90.40.45.A Lease Disclosure

1. **Operating Leases (state agency is lessee):** For all operating leases where the rental term is one year or longer that were charged to Subobjects ED and EH for the fiscal year ended June 30, disclose the total lease expense/expenditures paid to **external** entities (not state agencies) in the "Payments to External Entities" rows. Disclose payments to the Department of Enterprise Services for state-owned property, payments to other state agencies, and internal payments within the agency for operating leases in the "Payments to Other State Agencies and Internal Payments within the Agency" rows.

Example:

In the example below, the agency has operating lease payments in governmental fund type accounts that include payments for both short term and long-term leases to both internal and external parties.

		Governmental and Internal Service fund type accounts	**Enterprise fund type accounts**
Account			
	039 Aeronautics Account	*150,000*	*0*
	099 Puget Sound Capital Construction	*2,402,000*	*0*
	218 Multimodal Transportation	*5,975*	*0*
AFRS Amount Subobjects ED and EH		*2,557,975*	*0*
Payments to External Entities:			
	Minimum lease expense	*500,000*	*0*
	Contingent lease expense	*0*	*0*
Payments to Other State Agencies and Internal Payments within the Agency			
	Minimum lease expense	*2,057,000*	*0*
	Contingent lease expense	*0*	*0*
Total Operating Lease Expense		*2,557,000*	*0*
Difference (AFRS Amount – Entered Amount)		*975*	*0*
If there is a difference, provide an explanation below: *$975 is for short-term leases less than one year*			

Lease Disclosure – continued

2. **Future Minimum Operating and Capital Lease payments (state agency is lessee):** For operating leases paid to external entities (not state agencies) having initial noncancelable lease terms in excess of one year, and for all capital leases, report the total future minimum lease payments as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter. **Reporting should be limited to existing leases**.

Example:

In the example below, the agency has an operating lease with an external entity in a governmental fund type account that expires in two years, and the agency has no capital leases.

	Governmental and Internal Service fund type accounts		**Enterprise fund type accounts**	
Fiscal Year	**Operating Leases**	**Capital Leases**	**Operating Leases**	**Capital Leases**
2017	*500,000*			
2018	*500,000*			
2019				
2020				
2021				
2022 – 2026				
2027 – 2031				
2032 – 2036				
2037 – 2041				
2042 – 2046				
Total Future Minimum Payments	*1,000,000*			

Less: Executory and Interest Costs	(_____)	(_____)
Net Present Value of Future Minimum Lease Payments	$_____	$_____

Reconciliation of Capital Leases to AFRS: *Includes Account 999 General Long-Term Obligations Subsidiary Account	**Governmental and Internal Service fund type accounts***	**Enterprise fund type accounts**
	AFRS Amount	**AFRS Amount**
GL Code 5172 ST Lease-Purchase Agreements Payable	$	$
GL Code 5272 LT Lease-Purchase Agreements Payable		
Total GL Codes 5172/5272 Amount	$	$
Variance between Net Present Value of Future Minimum Lease Payments for Capital Leases and AFRS GL Codes 5172/5272:	$	$

If there is a difference, provide an explanation below.

3. **Capital Leases (state agency is lessee)**: Report assets recorded under capital leases as of June 30 by major class of asset.

Note: Generally, the net value of assets recorded under capital leases should approximate the Net Present Value of Future Minimum Lease Payments recorded in (2) above.

*Include Account 997 "General Capital Assets Subsidiary Account"	**Governmental and Internal Service fund type accounts***	**Enterprise fund type accounts**
Capital Asset	**Amount**	**Amount**
Land (non-depreciable)	$	$
Buildings		
Equipment		
Less: Allowance for Depreciation	( )	( )
Net Value of Assets	$	$

4. **Future Operating and Capital Lease Receipts (state agency is lessor):** Is leasing to **external** entities a significant part of your agency's business activity in terms of revenues or assets? If yes, report the total future minimum lease payments that you expect to receive under existing leases as of June 30, for each of the five succeeding fiscal years and in five-year increments thereafter.

	Governmental and Internal Service fund type accounts		**Enterprise fund type accounts**	
Fiscal Year	**Noncancelable Operating Leases**	**Capital Leases**	**Noncancelable Operating Leases**	**Capital Leases**
2017				
2018				
2019				
2020				
2021				
2022 – 2026				
2027 – 2031				
2032 – 2036				
2037 – 2041				
2042 – 2046				
Total Future Minimum Receipts				

Liabilities by Major Class – Summary of Activity Disclosure

Agency Code: _____ Agency Title: _____

90.40.45.B Liabilities by Major Class – Summary of Activity Disclosure

Please complete the following schedule to disclose **liability activity**, by account, for the fiscal year ended June 30.

Reclassifications between long-term and short-term GL codes are to be disregarded and should not be included in the Increases (CR) or Decreases (DR) columns.

Adjustments can be either debit or credit amounts. Examples of adjustments include: transfers between agencies and/or accounts, and certain immaterial prior year corrections. Adjustments require an entry in the Comment field.

Account Code & Title	Major Class	GL Code	Beginning Balance from AFRS	DR Decreases	CR Increases	Adjustments	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)	Comment

Certificates of Participation Disclosure - Agencies

Agency Code: _____ Agency Title: _____

90.40.45.C Certificates of Participation Disclosure - Agencies

Please complete the following schedule to disclose **all COP activity**, by account, for the fiscal year ended June 30.

The total Beginning Balance, principal paid (Decreases), new COP issues (Increases), and Ending Balance for GL Codes 5173/5273 must agree to the Office of the State Treasurer's year-end COP report.

For new COPs in Account 999, refer to the reconciliation box below.

For COPs in proprietary fund type accounts the Increases amount should equal the par amount of the new COP.

Reclassifications between long-term and short-term GL codes are to be disregarded and should not be included in the Increases or Decreases columns.

Account Code & Title	Major Class	GL Code	Beginning Balance from AFRS	Decreases	Increases	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)
Total of GLs 5173/5273								

Reconciliation of COP (Certificate of Participation) Revenue Source Codes 0807 and 0854 to the Increases Amount Reported Above

For Account 999 (General Long-Term Obligations Subsidiary Account) only:

The credit amount in Account 999 in GL Codes 5173/5273 reported above should equal the sum of the amounts in AFRS in Revenue Source Codes 0807 and 0854 in governmental fund type operating account(s). Reclassifications between long-term and short-term GL codes are to be disregarded and should not be included in the Increases or Decreases columns.

	Operating Account Code	AFRS Amount
Revenue Source Codes 0807 and 0854		
Account 999 Increases amount reported above		
Difference (should be zero)		
If there is a difference, provide an explanation below:		

Certificates of Participation (COPs) Disclosure – Office of the State Treasurer

Agency Code: 0100 Agency Title: Office of the State Treasurer (Bond Retirement and Interest)

90.40.45.D Certificates of Participation Disclosure – Office of the State Treasurer

1. Please disclose the total debt service requirements to maturity for Certificates of Participation as of June 30 as follows:

Fiscal Year	Equipment Principal	Equipment Interest	Real Estate Principal	Real Estate Interest
2017				
2018				
2019				
2020				
2021				
2022 – 2026				
2027 – 2031				
2032 – 2036				
2037 – 2041				
2042 – 2046				
Totals:				

Reconciliation			
GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)
5173			
5273			

2. Are the provisions of the federal arbitrage rebate requirements applicable to any of the COPs reported in this section?

   No _____ Yes _____

   If yes, calculate and enter the amount of estimated rebatable arbitrage profits as of fiscal year-end. $ _____

Certificates of Participation (COPs) Disclosure – Office of the State Treasurer – concluded

3. Did you issue a COP refunding this fiscal year? If yes, provide the following information:

   No _____ Yes _____

   a. A **general description of the transaction**, including date new COP was issued, amount of new COP issued, average interest rate of new COP issued, amount of COP refunded, and average interest rate of COP refunded.

   b. The **difference between the cash flows** required to service the old COP and the cash flows required to service the new COP and complete the refunding.

   c. Amount of the **economic gain or loss** resulting from the transaction.

4. Disclose the amount of unspent COP proceeds held in the LGIP for state agencies at June 30.

State Agency	Project	Amount
	Total	

90.40.50 Unavailable and unearned revenues disclosure

June 1, 2016

General Instructions

All agencies with unavailable/unearned balances as of fiscal year-end must complete the Unavailable and Unearned Revenues Disclosure form (90.40.50.A).

Balances in the following GL Codes are to be reported by account and type:

- 5190 and 5290 Unearned Revenues
- 5192 and 5292 Unavailable Revenues

Choose from the following list the type that is most applicable:

- Charges for services
- Donable goods
- Grant or donation
- Miscellaneous/Other*
- Other taxes
- Property taxes
- Timber sales
- Tolls
- Transportation related charges

* Limit your use of the Miscellaneous/Other type. If Miscellaneous/Other is used, a description is required in the Comments or Description column.

Also complete these fields on the form:

- Recognition Criteria
- Source of Funds (federal, state, private/local)

Unearned Revenues (GL Codes 5190 and 5290):

May be reported in both governmental and proprietary type accounts. Revenues that are unearned are recorded to GL Codes 5190 and 5290. Unearned means that the earnings process is not yet complete.

Examples of revenues not yet earned include:

- Federal assistance received in advance,
- Insurance premiums received in advance,
- Prepaid tolls,
- Prepaid tuition and fees (summer school), and
- Prepayments made pursuant to agreements.

Refer also to Subsections 85.70.45.

Unavailable Revenues (GL Codes 5192 and 5292):

May be reported only in governmental fund type accounts. Revenues that are unavailable are recorded to GL Codes 5192 and 5292.

GL Code 5292 should be used to offset a receivable for which the asset recognition criteria has been met, but the governmental fund revenue recognition criteria has not been met. Generally, in governmental funds, accrued revenue sources are deemed unavailable if collectible beyond one year. Examples include long term receivables and contracts associated with the harvest of timber that extend beyond 12 months.

GL Code 5192 should be used only in limited instances where revenue associated with a receivable does not meet the revenue recognition criteria and will be collected within one year. An example where GL Code 5192 is properly used is to offset property taxes receivable that are expected to be collected after 60 days following year end but within one year.

Refer also to Subsection 85.70.40.

Unavailable and Unearned Revenues Disclosure

Agency Code: _____ Agency Title: _____

90.40.50.A Unavailable and Unearned Revenues Disclosure

Choose the appropriate Type of Unavailable/Unearned Revenue that best applies. Limit use of the Miscellaneous/Other type. Credits should be entered as positive amounts.

Account Code & Title	GL Code & Title	Type of Unavailable/ Unearned Revenue	Comments or Description of Miscellaneous/Other (required)	Amount	Recognition Criteria	Source of Funds

Reconciliation

Account & GL Code	Entered Amount	AFRS Amount	Difference (Must be zero)

90.40.55 Bond debt disclosure

June 1, 2016

General Instructions

The state is required to disclose certain information about bond debt activity, debt service requirements, and refunding activity. Agencies that issue bonds and/or pay bond debt service are required to complete these disclosure forms.

The state issues four types of bonds: General Obligation Bonds, Revenue Bonds, Zero Coupon General Obligation Bonds, and Refunding Bonds. Refer to Subsection 85.72.20.

90.40.55.a Bonds Payable General Disclosure

This form contains **general questions** concerning arbitrage rebate requirements, IRS communications, variable rate demand obligations, and capitalized interest.

90.40.55.b Bond Debt by Major Class – Summary of Activity Disclosure

This form summarizes the **current year activity of bond debt** by debt class.

OST will summarize and report their bond activity that is recorded in Account 999 "General Long-Term Obligations Subsidiary Account," as well as for other agencies where OST pays the actual debt service (currently L&I).

All other agencies are required to complete this disclosure form for bond debt activity where the debt service is paid by their agency, **not** by OST**.**

Table 1 - Bond Debt GL Codes Reconciliation to AFRS

For purposes of this disclosure form, debt class is defined as follows:

Debt Class	GL Codes
General obligation bonds	5161, 5261
GO zero coupon bonds-principal	5164, 5264
Revenue bonds	5162, 5262, 5167, 5267, 1667
Other bonds payable	5169, 5269

- Beginning and ending balance columns are automatically filled with data from AFRS. The ending balance will agree with the total column on a Trial Balance report.

- Normally, bond debt liabilities will have **credit** balances.

- Normally, **retirements** are payments of bond debt principal and will be **debit** amounts and should be entered as positive numbers.

- Normally, **new issues** in bond debt liabilities will be **credit** amounts and should be entered as negative numbers.

- For this form, **reclassifications between long-term and short-term GL codes are to be disregarded**, and should not be included in the "New Issues" (increases in bond debt liability) or "Retirements" (decreases of bond debt liability) columns.

- For bonds recorded in Account 999 "General Long-Term Obligations Subsidiary Account:" **new issues** (increases in bond debt) are to equal amounts reported in governmental fund type accounts in Revenue Source Codes 0860 "Bonds Issued," 0864 "Taxable Bonds Issued," 0865 "Note Proceeds" and 0859 "Proceeds of Refunding Bonds," and **retirements** (decreases in bond debt) are to equal amounts reported in governmental fund type accounts in Subobject PA "Principal."

- Additionally, if applicable, disclose the portion of the revenue bonds that are **general revenue bonds** and list what types of revenues (for example student tuition, sales and service revenue, interest) are considered general revenues for the purpose of paying debt service.

Table 2 - Debt Service Requirements

Agencies should disclose their upcoming debt service by fiscal year based on the information in their bond amortization schedules. The amount reported as principal in fiscal year 2017 should agree to the amount in the short term GL Codes 5161, 5162, 5163, 5164, 5167, or 5169.

Table 3 – Reconciliations

These reconciliations identify potential discrepancies between Tables 1 and 2, and the bond debt GL codes in AFRS.

1. Compares the total ending principal in Table 1 to the principal total in Table 2.

2. Compares the short term GL codes to the fiscal year 2017 principal reported in Table 2.

Table 4 - Bonds Outstanding – Type and Interest Rate

For bonds outstanding at June 30, disclose the **types** of bonds and the **range of bond interest rates** for the bond issues.

Table 5 - Bonds Authorized but Unissued

For bonds authorized but unissued at June 30, please disclose the **purpose** of the bond issues, the **types** of bonds, and the **total amount of bonds authorized but unissued at June 30.**

Table 6 - Other Bond Related GL Codes Reconciliation to AFRS

GL Title	GL Codes
Zero coupon bonds – Accreted Interest Payable	5165/5212
Unamortized discounts on bonds sold	1910
Unamortized premiums on bonds sold	5910

Complete the table to disclose activity related to unamortized bond premiums and discounts, and accreted interest payable (GL Codes 1910, 5165, 5212 and 5910) as of June 30. Current year amortization activity should be recorded in GL Codes 6512 or 6593 "Amortization Expense" Subobject WB "Amortization."

Table 7 – Pledged Revenue for Revenue Bonds

For revenue bonds outstanding at year end for which specific revenues have been pledged, disclose information about the pledged revenues including: account, source of revenue pledged, current year revenues pledged, current year debt service, future revenues pledged, a description of the debt, the purpose of the debt, and the ending year of the commitment. List the year(s) the bond(s) were issued in the "Purpose of the Debt" column.

Table 8 – Reconciliation of Future Revenue Pledged

Reconcile the revenue pledged amounts reported in Table 7 to the revenue bond principal and interest amount totals in Table 2.

90.40.55.c **Bond Sales Disclosure**

This form collects required disclosure information about **current year bond sales** including refunding issues, defeased debt outstanding at year end, and bond issues subsequent to year end.

Current year bond sales

For bond sales, disclose the following information by Proprietary or Governmental fund type:

- Account the bonds were recorded in AFRS
- Name of bond series
- Delivery date of bond series
- Type of Bond
- Is it a Refunding Bond?
- Is it a Taxable Bond?
- Purpose of the Bonds
- Par amount for the Bond series per the official statement
- Bond series premium/discount

This form will check the amounts disclosed against the amounts reported in the Bond Debt by Major class disclosure form and against AFRS data.

This form also collects required disclosure information on bond debt refunding activities**.**

The state is required to disclose bond debt refunding activity for bond debt refunded in the current year and for bond debt refunded in prior years that remains outstanding.

- **For all agencies other than OST**, this disclosure form is required to be completed **only** if your agency had a bond debt refunding that was **not** part of a refunding done by OST, **or** if your agency had bond debt refunded in prior years that remains outstanding and that was **not** part of a refunding done by the OST.

- **OST Bond Retirement and Interest Agency (Agency 0100)** is required to complete this disclosure form for General Obligation Bond debt refundings.

In addition to a general description of the bond refunding, two additional items are required to be disclosed:

- **The difference between the cash flows required to service the old bond debt and the cash flows required to service the new bond debt and complete the refunding.** When measuring the difference between the two cash flows, additional cash used to complete the refunding paid from resources other than proceeds of the new bond debt (for example, for issuance costs or payments to the escrow agent) should be added to the new bond debt cash flows. Accrued interest received at the bond issuance date should be excluded from the new bond debt cash flows. If the new bond debt is issued in an amount greater than that required for the

refunding, only that portion of bond debt service applicable to the refunding should be considered.

- **The economic gain or loss resulting from the transaction.** Economic gain or loss is the difference between the present value of the old bond debt service requirements and the present value of the new bond debt service requirements, discounted at the effective interest rate and adjusted for additional cash paid, as noted above.

The **effective interest rate** is the rate that, when used to discount the debt service requirements on the new debt, produces a present value equal to the proceeds of the debt (including accrued interest) net of any premiums or discounts and any underwriting spread and issuance costs that are not recoverable through escrow account earnings. Issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs (net of rebates from the old debt, if any), financing costs (such as rating agency fees), and other related costs (such as printing, legal, administrative, and trustee expenses).

Defeased bonds outstanding at year end

The state is required to disclose debt defeased in substance that remains outstanding in an advance refunding. If your agency has performed your own bond debt refunding (not through OST) disclose this amount at June 30.

Bonds issued subsequent to year end

The state is also required to disclose debt issued subsequent to June 30. Disclose requested information about debt issued in the period between July 1 and December 31 of the current fiscal year.

Bonds Payable General Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.A Bonds Payable General Disclosure

1. a. Are the provisions of federal arbitrage rebate requirements applicable to the bonds your agency reported in this section?

   No _____ Yes _____

   If yes, please provide the following information:

   Calculate and enter the amount of estimated rebatable arbitrage profits as of fiscal year-end.
   $ _____

   b. Did your agency receive communication from the IRS during the fiscal year that adversely affects the tax exempt status of your outstanding debt or asserts noncompliance with arbitrage rules?

   No _____ Yes _____

   If yes, please provide details.

   _____

2. Does your agency have any variable rate demand obligations outstanding as of fiscal year-end?

   No _____ Yes _____

   If yes, provide the following information:

   a. Disclose the terms by which interest rates change for variable-rate debt.

   _____

   b. Disclose the amounts outstanding as of fiscal year-end.
   $ _____

Bonds Payable General Disclosure – concluded

3. Did your agency capitalize bond interest expense in an enterprise fund type account this fiscal year? Interest incurred during the construction phase of a capital asset project (accounted for in an enterprise fund type account) is included as part of the capitalized value of the asset constructed.

No _____ Yes _____

If yes, provide the following information:

Account No.	Bond interest expense incurred	Investment earnings received on unspent bond proceeds	Net interest expense capitalized as part of a capital asset	Comments
Example XXX	*30,000*	*(2,119)*	*27,881*	

Bond Debt by Major Class – Summary of Activity Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.B Bond Debt by Major Class – Summary of Activity Disclosure

Table 1 - Bond Debt GL's Reconciliation to AFRS

Account	Debt Class / GL Code	Beginning Balance from AFRS	DR Retirements	CR New Issues	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)

If your agency issues General Revenue bonds: Of the June 30 principal amount reported above, what amount is for General Revenue bonds? $_____

List what types of revenues are considered "general revenues" for the purpose of paying General Revenue debt service (for example student tuition, sales and service revenue, interest):

_____

Table 2 - Bond Debt Service Schedule

Fiscal Year	General Obligation and Other Bonds Payable Principal	General Obligation and Other Bonds Payable Interest	Revenue Bonds Principal	Revenue Bonds Interest
2017				
2018				
2019				
2020				
2021				
2022 – 2026				
2027 - 2031				
2032 - 2036				
2037 - 2041				
2042 - 2046				
2047 - 2051				
2052 - 2056				
Total				

Bond Debt by Major Class – Summary of Activity Disclosure – continued

Table 3 - Reconciliations

A. The total ending balance in Table 1 must agree to the total principal amount reported in Table 2.

	Amounts
Subtotal of ending balances of applicable GL Codes in Table 1: GL Codes 5161/5261 and 5162/5262 and 5167/5267/1667 and 5163/5263 and 5164/5264 and 5169/5269	$
Principal amount totals reported in Table 2 Debt Service Schedule	
Difference (should be zero)	$

If there is a difference, provide an explanation below.

B. The short-term GL code amounts in AFRS must agree to the principal amount reported in Table 2.

	Amounts
GL Codes 5161, 5162, 5163, 5164, 5167, and 5169 (from AFRS)	$
Principal amount for the next fiscal year reported in Table 2 Debt Service Schedule	
Difference (should be zero)	$

If there is a difference, provide an explanation below.

Bond Debt by Major Class – Summary of Activity Disclosure – continued

Table 4 – Bonds Outstanding – Type and Interest Rate

Account	Type of Bond	Low Interest Rate	High Interest Rate

Table 5 – Bonds Authorized but Unissued

Account	Purpose	Type of Bond	Authorized but Unissued at June 30

Table 6 – Reconciliation of Other Bond Related GL Codes to AFRS

Current year amortization activity should be recorded in GL Codes 6512 or 6593 "Amortization Expense" Subobject WB "Amortization."

Account	Debt Class/GL Code	Beginning Balance from AFRS	DR	CR	Calculated Ending Balance	Ending Balance from AFRS	Difference (Must be zero)

Bond Debt by Major Class – Summary of Activity Disclosure – concluded

Table 7 – Pledged Revenue for Revenue Bonds

Account	Source of Revenue Pledged	Current Year Revenues Pledged (net)	Current Year Debt Service (prin + int)	Future Revenues Pledged (prin + int)	Description of Debt (include year(s) issued)	Purpose of Debt	Ending Year of Commitment

Comments or Notes (including description of "Other"):

Table 8 – Reconciliation of Future Revenue Pledged to Table 2 Bond Debt Service schedule

Revenue bond principal and interest amount totals reported in Table 2	$ _____
General revenue bonds reported in Table 1	_____
Subtotal	_____
Future revenue pledged amount from above	_____
Difference (should be zero)	_____

If there is a difference, provide an explanation below:

Bond Sales Disclosure

Agency Code: _____ Agency Title: _____

90.40.55.C Bond Sales Disclosure

Instructions: Complete this form after you complete the Bond Debt by Major Class disclosure form.

1. **Bond Sales**

Did your agency **issue bonds** this fiscal year (July 1 to June 30)?
No ___ Yes ___
If yes, provide the following information by account and bond issue series. If no, continue to questions 2 and 3.

A. Proprietary Type Accounts

Account the Bonds were recorded in AFRS	Bond issue series name	Bond delivery date	Type of Bond	Is it a Refunding Bond?	Is it a Taxable Bond?	Purpose of the Bonds	Par amount of the Bond series per the official statement	Amount reported as a New Issue (CR) in the Bond Debt by Major Class disclosure form	Difference (should be zero)	Increase (credit) in AFRS in Bond GLs 516x, 526x, 1667	Difference	Comment
522	*2015A*	*10/1/2015*	*Pledged Revenue*	*No*	*No*	*Student Housing*	*1,000,000*					
522	*2016B*	*2/1/2016*	*Pledged Revenue*	*No*	*No*	*Student athletic facility*	*5,000,000*					
						Subtotal 522	*6,000,000*	*(6,000,000)*	*0*	*(6,002,000)*	*(2,000)*	*Due to ST/LT reclass*
						Agency Total	*6,000,000*	*(6,000,000)*	*0*	*(6,002,000)*	*(2,000)*	

B. Governmental Type Accounts

Account the Bonds were recorded in AFRS	Bond issue series name	Bond delivery date	Type of Bond	Is it a Refunding Bond?	Is it a Taxable Bond?	Purpose of the Bonds	Par amount of the Bond series per the official statement	Bond Proceeds amount(s) reported in AFRS in revenue source codes 0859, 0860, 0864, 0865	Difference (should be zero)	Amount reported in Account 999 as a New Issue (CR) in the Bond Debt by Major Class disclosure form	Difference
252	*2015C*	*9/1/2015*	*General Revenue*	*No*	*No*	*Housing & dining bonds*	*8,000,000*				
252	*R2016D*	*4/1/2016*	*Pledged Revenue*	*Yes*	*No*	*To refund housing & dining bonds*	*7,500,000*				
						Subtotal 252	*15,500,000*	*(15,500,000)*	*0*		
						Agency Total	*15,500,000*	*(15,500,000)*	*0*	*(15,500,000)*	*0*

	Bond series Premium/ (Discount)	Premium/Discount reported in AFRS in Revenue Source codes 0858, 0856, 0862, 0863	Difference (should be zero)	Comment
2015C	*900,000*			*Agency comment*
R2016D	*512,500*			*Agency comment*
Subtotal 252	*1,412,500*	*(1,412,500)*	*0*	
Agency Total	*1,412,500*	*(1,412,500)*	*0*	

C. **Refunding Bonds** – additional information needed

New Bond issue

New Bond issue series name	Bond delivery date	Type of Bond	Purpose of the Bonds	New Bond series par amount per the official statement	Average interest rate of the New Bonds
R2016D	*4/1/2016*	*Pledged Revenue*	*To refund housing & dining bonds*	*7,500,000*	*4.10*

Old Bond issue

Par amount of the Old Bond being refunded (paid off)	Type of Bond	Purpose of the Old Bonds	Average interest rate of the Old Bonds
8,500,000	*Pledged Revenue*	*Housing & dining*	*6.25*

Refunding Results

Gross debt service savings/ (loss)	Savings will be over how many years	Economic gain/ (loss)	Comment
1,500,000	*12*	*1,200,000*	*Agency comment*

2. **Defeased bonds outstanding at year end**

In all periods following an advance refunding for which debt defeased in substance remains outstanding, the amount of that debt outstanding at June 30 should be disclosed. If your agency has performed your own bond debt refundings (not through OST), disclose this amount at June 30.

$_____

3. **Bonds issued subsequent to year end**

Did your agency issue bonds, or do you anticipate issuing bonds, in the period between July 1 and December 31 of the current fiscal year?

No _____ Yes _____

If yes, provide the following information.

Bond issue series name, if issued	Bond delivery date or estimated date	Type of Bond	Is it a Refunding Bond?	Is it a Taxable Bond?	Purpose of the Bonds	Par amount of the Bond series per the official statement or estimated amount if unissued	Comment
2016C	*11/1/2016*	*General Revenue*	*No*	*No*	*Bookstore renovation*	*5,000,000*	*Agency comment*

90.40.60 Transfer disclosure

June 1, 2016

General Instructions

GAAP requires the state to disclose in the notes to the financial statements certain details about transfers including:

- Amounts transferred between accounts, and
- A general description of the principal purposes of the transfers.

Transfers to be reported on the disclosure form:

- Revenue Source Codes 0613 – 0699 and 0484 (excluding 0623, 0649, 0677, 0683, and 0690)
- GL Code 65XX Object M

The majority of the transfers reported by an agency on this form will be intra-agency transfers (transfers between accounts within the same agency).

If applicable, an agency may also need to report an inter-agency transfer in (a transfer received from another agency). The agency making the inter-agency transfer out should not report the transaction on this form.

For inter-agency transfers in only, choose the agency number of the paying agency from the "Inter-agency Transfer In" column drop down box on the form. In the comment box indicate the reason for the inter-agency transfer in. No entry is allowed in the "Paying Account" column. Refer to the example on the next page.

For transfers over $20 million, please provide a general description of the purpose of the transfer.

Following is an example of a completed Transfer Disclosure form (90.40.60.A).

Transfers Disclosure

Example:

Agency Code: *0123* Agency Title: *Any Agency*

90.40.60.A Transfer Disclosure

Paying Account Code & Title	Receiving Account Code & Title	Amount	Description of Transfer (for amounts over $20 million)	Comments	Inter-agency Transfer In
001 General Fund	*14B Budget Stabilization Account*	*$150,000,000*	*RCW 43.79.490*		
001 General Fund	*03B Asbestos Account*	*6,000,000*			
Blank	*08G Flexible Spending Admin. Account*	*28,000*		*Equity transfer, closure of Account 03T*	*1240*
	Total:	*$156,028,000*			

Transfers Disclosure

Agency Code: _____ Agency Title: _____

90.40.60.A Transfer Disclosure

Paying Account Code & Title	Receiving Account Code & Title	Amount	Description of Transfer (for amounts over $20 million)	Comments	Inter-agency Transfer In
	Total:				

Reconciliation:

Receiving Account Code	Entered Amount	AFRS Amount	Difference (Must be zero)
Total:			

Note: The AFRS amount is the Receiving Account credit total on the ER Transfer Report, including Revenue Source Codes 0613-0699 and 0484, and excluding Revenue Source Codes 0623, 0649, 0677, 0683, and 0690.

90.40.70 Pension disclosure

June 1, 2016

General Instructions

The pension disclosure forms are used to accumulate the information required to calculate the state's Net Pension Assets and Liabilities, pension related deferred outflows and deferred inflows of resources and pension expense as well as to prepare note disclosures and required supplementary information for the state's CAFR. The information provided in the CAFR is intended to aid the reader of the financial statements in assessing:

- The stewardship of pension plan resources and the ongoing ability of the plan to pay pension benefits when due,
- The effect of pension plan operations and benefit commitments on the need for contributions by plan members, employers and other contributors,
- The state's net pension assets/liabilities related to its participation as an employer in sole employer pension plans as well as its proportionate share of pension obligations related to cost sharing plans,
- Compliance with finance-related statutory, regulatory and contractual requirements.

Pension disclosure information is required from the following agencies:

- Department of Retirement Systems
- All four-year higher education institutions, State Board for Community and Technical Colleges (SBCTC), and Student Achievement Council (SAC)

90.40.70.a **Pension Information – Department of Retirement Systems**

The Department of Retirement Systems (Agency 124) is required to complete a disclosure form including these data elements:

- Covered Payroll
- Employer Contributions
- Member Contributions
- State Contributions

Include the following retirement plans:

- Public Employees' Retirement System (PERS) Plans 1 Defined Benefit (DB), 2/3 (DB), and 3 Defined Contribution (DC);
- Teachers' Retirement System (TRS) Plans 1 (DB), 2/3 (DB), and 3 (DC);
- School Employees Retirement System (SERS) Plans 2/3 (DB), and 3 (DC);
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2 (DB);
- Washington State Patrol Retirement System (WSP) Plans 1 and 2 (DB);
- Judicial Retirement System (JRS) (DB);
- Judges' Retirement Fund (Judges) (DB);
- Public Safety Employees' Retirement Account (PSERS) Plan 2 (DB); and
- Judicial Retirement Account (JRA) (DC).

90.40.70.b **Pension – Higher Education Institutions, SBCTC, and SAC**

This form is required to be completed by all four-year higher education institutions, SBCTC, and SAC. The information required pertains to Higher Education Retirement Plan participants and the Higher Education Supplemental Retirement Plan.

1. **Higher Education Retirement Plan (Defined Contribution Plan)**: The total covered payroll is to reflect amounts for Higher Education Retirement Plan participants only. This amount should not include those on "waiting" status. "Waiting" status employees are those who are eligible, but have not yet elected to join the Higher Education Retirement Plan. The member and employer contributions are to reflect amounts contributed by each into the Higher Education Retirement Plan.

2. **Higher Education Supplemental Retirement Plan (Defined Benefit Plan):** Information for the Higher Education Supplemental Retirement Plan should be obtained from your actuarial valuations and payroll records. Disclose payments to beneficiaries in the current fiscal year.

Pension Disclosure – Department of Retirement Systems

Agency Code: 124 Agency Title: Department of Retirement Systems

90.40.70.A Pension Disclosure – Department of Retirement Systems

Retirement Plan by Employer Type	Covered Payroll	Employer Contributions	Member Contributions	State Contributions
PERS 1 (DB) – WA State				
PERS 1 (DB) – Other Employers				
PERS 2/3 (DB) – WA State				
PERS 2/3 (DB) – Other				
PERS 3 (DC) – WA State				
PERS 3 (DC) – Other Employers				
TRS 1 (DB) – WA State				
TRS 1 (DB) – Other Employers				
TRS 2/3 (DB) – WA State				
TRS 2/3 (DB) – Other Employers				
TRS 3 (DC) – WA State				
TRS 3 (DC) – Other Employers				
SERS 2/3 (DB) – WA State				
SERS 2/3 (DC) – Other				
SERS 3 (DC) – WA State				
SERS 3 (DC) – Other Employers				
LEOFF 1 (DB) – WA State				
LEOFF 1 (DB) – Other				
LEOFF 2 (DB) – WA State				
LEOFF 2 (DB) – Other				
WSP 1 (DB) – WA State				
WSP 2 (DB) – WA State				
JRS (DB) – WA State				
Judges (DB) – WA State				
PSERS 2 (DB) – WA State				
PSERS 2 (DB) – Other				
JRA (DC) – WA State				
JRA (DC) – Other Employers				
Totals:				

Pension Disclosure –
Department of Retirement Systems – concluded

Reconciliation of Contributions to AFRS Data:

Retirement Plan	Total Contributions	AFRS Total Contributions	Difference (Must be zero)
Totals:			

Pension Disclosure – Higher Education Institutions

Agency Code: _____ Agency Title: _____

90.40.70.C Pension Disclosure – Higher Education Institutions

This section is to be completed by all four-year higher education institutions, the State Board for Community and Technical Colleges, and the Student Achievement Council:

Higher Education Retirement Plan (Defined Contribution Plan)	
Covered Payroll	
Employer Contributions	
Member Contributions	

Higher Education Supplemental Retirement Plan (Defined Benefit Plan)	
Payments to Beneficiaries (current fiscal year)	
Notes/Comments	

90.40.75 Miscellaneous disclosure

June 1, 2016

General Instructions

All agencies are required to complete the Miscellaneous Disclosure form (90.40.75.A).

Information is required related to:

1. Grants and contributions restricted for capital purposes.
2. Art collections, library reserve collections and/or museum or historical collections that are not capitalized.
3. Donor restricted endowments.
4. Component units, joint ventures, segments, or related organizations.
5. Capital assets that are permanently impaired and idle.
6. Pollution remediation. The site status report is due at Phase 1B close on August 19, 2016.
7. Nonexchange financial guarantees.

Miscellaneous Disclosure

Agency Code: _____ Agency Title: _____

90.40.75.A Miscellaneous Disclosure

1. Did your agency report any revenue from grants or contributions that were **restricted for capital purposes** (to purchase, construct, or renovate capital assets associated with a specific program)?

   No _____ Yes _____ If yes, provide the following information

Account	Name of Grant/Contribution	Revenue Source Code	Amount
		Total	$

2. Does your agency have any **Art Collections, Library Reserve Collections, and/or Museum or Historical Collections** that are not capitalized?

   No _____ Yes _____

   If yes, refer to SAAM Subsection 30.20.22.a, which lists 3 conditions that must all be met in order for these assets not to be capitalized. Provide a description of your collection and explain how you meet all 3 of the conditions.

   _____

3. Does your agency have any **donor-restricted endowments**? (Note: Donor restricted endowments are recorded in General Ledger Codes 9110 "Nonspendable Permanent Fund Principal," 9230 "Restricted for Higher Education," 9240 “Restricted for Human Services,” or other restricted fund balance GL code as appropriate.)

   No _____ Yes _____ If yes, provide the following information

   a. The amount of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure, and how those amounts are reported in fund balance,

   b. The policy for authorizing and spending investment income, such as a spending-rate or total-return rate, and

   c. The account(s) the endowments are reported in.

   _____

Miscellaneous Disclosure – continued

4. a. Does your agency have any **discretely reported component units** or other **related organizations**? Note: blended component units are reported in (c) below.

No _____ Yes _____

b. If yes, for the most recent year available, are expenditures greater than $15 million?

No _____ Yes _____

If yes, include the most recent financial information available in the table below.

Name of Entity	Type of Entity	Total revenue of the entity	Total expenditures of the entity	Total assets of the entity

c. Does your agency have any **blended component units**?

No _____ Yes _____ If yes, list them in the table below.

Name of Entity

d. Does your agency participate in any **joint ventures**?

No _____ Yes _____

If yes, include the most recent financial information available in the table below.

Name of Entity	Your share of the joint venture's net equity (should agree to the balance in GL Code 1950)	Your share of the joint venture's net income or loss

Miscellaneous Disclosure – continued

e. Does your agency have any **segments**?

No _____ Yes _____

If yes, provide the following information.

Segment Information:

Number of Segments	
Total Assets	
Total Revenue	
Agency Contact Information:	
First Name	
Last Name	
Address	
City	
State	WA
Zip	

f. Are the above **segments** audited separately?

No _____ Yes _____

5. Does your agency have any **capital assets that are permanently impaired and idle** at fiscal year-end? A capital asset is considered to be impaired if the asset experiences a significant and unexpected decline in its service utility. An impaired capital asset is to be revalued to reflect its decline in service utility.

No _____ Yes _____

If yes, refer to Subsections 30.20.90 and 85.60.45 for further discussion and provide a description and the carrying amount of each impaired and idle capital asset.

_____

Miscellaneous Disclosure – concluded

6. **Pollution Remediation**. The Governmental Accounting Standards Board (GASB) issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. Refer to SAAM Subsection 85.74.50 for information about obligating events, benchmarks and liability measurement related to existing and potential pollution remediation obligations for which the state is responsible.

   Has your agency been assigned responsibility or is your agency potentially responsible for addressing current or potential detrimental effects of existing pollution through activities such as assessments or cleanups?

   No _____ Yes _____

   If yes, please provide agency contact information (name, phone number, and email address) in the box below AND contact your agency's assigned OFM Accounting Consultant for a copy of a site status report to be used to report the following information for each site:

   a. Site identification, including site ID number, release number (if applicable), site name and type.

   b. Status of remedial action as of June 30th and current action plan, including estimated timeframe for cash outflow.

   c. Amount of estimated liability, including:

      - Breakdown between short-term (due within 12 months) and long-term.
      - Estimated recoveries
      - Indication of whether or not each site is reportable.

   The site status report is due at Phase 1B close, and a copy of the site status report must be filed with the Financial Certification form.
   Agency contact information: name, phone number, and email address.

7. **Nonexchange Financial Guarantees**. Has your agency extended or received a **nonexchange financial guarantee**?

   No _____ Yes _____

   If yes, provide the following information:
   a. A description of the nonexchange financial guarantee, including: the legal authority for extending the guarantee, the types of obligations guaranteed, the relationship of the government to the issuer(s), the length of time of the guarantees, and arrangement for recovering payments from the issuer(s).
   b. The total amount of all guarantees extended that are outstanding at June 30.

90.40.95 Financial disclosure certification

June 1, 2016

General Instructions

All agencies are required to complete the Financial Disclosure Certification (90.40.95.A).

As required by audit standards, OFM provides, on behalf of the state, a letter of representation to the State Auditor's Office certifying certain financial, compliance, and internal control information. To enable OFM to make the representations required in that letter, each Agency Head and Chief Financial Officer must certify, to the best of their knowledge, that the statements listed in the Financial Disclosure Certification form are true for their agency.

Any exceptions to the certifications are to be **attached** with a narrative detailing the variance(s) and any proposed or completed corrective actions.

Attachments may include:

- Narrative disclosing deficiencies in internal control
- Pollution remediation site status report
- Narrative related to a Service Organization Control (SOC) report
- Certification related to the use of a specialist
- Narrative disclosing changes to methods of measurement, assumptions, or interpretations related to federal expenditures
- Narrative related to certification exceptions detailing variances and proposed or completed corrective action

The signed Financial Disclosure Certification form including attachments, as necessary, is to be emailed to OFMAccounting@ofm.wa.gov by **September 14, 2016**.

Financial Disclosure Certification

Agency Code: _____ Agency Title: _____

90.40.95 Financial Disclosure Certification

I certify, that to the best of my knowledge, the following statements are true:

(1) The transactions and adjustments recorded in the Agency Financial Reporting System (AFRS) for Fiscal Year 2016 accurately and completely reflect our agency's activity and ending account balances for each of the accounts listed below, in conformity with Generally Accepted Accounting Principles (GAAP) as outlined in the *State Administrative and Accounting Manual* (SAAM) and demonstrate legal compliance, where applicable. Balances reflected in each of the accounts listed below have been reconciled including, where applicable, to subsidiary records.

(2) The effects of outstanding litigations, contingencies, or unasserted claims in our agency that would either be disclosable or could materially affect balances have been accurately disclosed and accounted for. If such conditions exist, their disclosure is **attached** to this certification. Note: The Attorney General's Office will provide the necessary disclosure for all litigation where they represent the state and so such items need not be disclosed by individual agencies.

(3) We are responsible for and have complied with laws, regulations, and provisions of contracts and grant agreements applicable to this agency by establishing adequate procedures and controls.

(4) We have received no communication from the Internal Revenue Service (IRS) adversely affecting the tax exempt status of our outstanding debt or noncompliance with arbitrage rules.

(5) We have identified and disclosed to the auditor violations and possible violations of laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts and disclosures, including loss contingencies, and legal and contractual provisions for reporting specific activities in separate accounts.

(6) We have disclosed to the auditor, upon request, relevant communications from regulatory agencies, government representatives or others concerning possible material noncompliance with, or deficiencies in internal control or other matters related to financial reporting practices.

(7) We are responsible for and have established and maintained an effective system of internal controls as prescribed by SAAM Chapter 20. Our agency's system of internal controls incorporates adequate procedures and controls to safeguard our assets, check the accuracy and reliability of our accounting data, promote operational efficiency, and encourage adherence to policies for accounting and financial controls. If there are significant deficiencies in internal control, a summary of the deficiencies and corrective action is **attached** to this certification.

(8) We are responsible for designing and implementing programs and controls to prevent and detect fraud. We have disclosed to the auditors all known instances and allegations of fraud or suspected fraud involving management and employees who have significant roles in internal control. We have also disclosed known instances and allegations of fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.

(9) Components of net position (net investment in capital assets; restricted; and unrestricted) and fund balance categories (nonspendable, restricted, committed, assigned and unassigned) are appropriately classified, and, if applicable, approved.

Financial Disclosure Certification – continued

(10) Provisions for uncollectible receivables have been properly identified and recorded.

(11) Interfund and interagency activity and balances have been appropriately classified and reported.

(12) Investments, derivative transactions, and land and other real estate held by endowments are properly valued. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with Governmental Accounting Standards Board (GASB) standards.

(13) Inventories have been properly identified and recorded. Provisions have been made to reduce excess or obsolete inventory, when material, to estimated net realizable value.

(14) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

(15) If the modified approach is used to account for eligible infrastructure assets, our agency meets the GASB-established standards as outlined in SAAM Subsection 30.20.80.

(16) If applicable, pollution remediation obligations have been properly identified, measured at current value using the expected cash flow technique, and reported. The Site Status Report was previously filed; a copy is **attached** to this certification.

(17) If our agency utilizes a service organization and (1) the dollar value of the transactions processed by the service organization is material to the state's CAFR or (2) a Service Organization Control (SOC) report is required by federal regulation, our agency has obtained a SOC report(s) from such organization and **attached** a narrative detailing the period covered, the nature of the service provided and a summary of the report(s) obtained (including the nature of the SOC engagement (e.g. SOC 1, SOC 2, or SOC 3) and type of the report (e.g. type 1 or type 2) as well as follow-up action taken to address weaknesses noted in the SOC report, if any. If a service providing organization is utilized that meets the criteria noted above and our agency has not obtained a SOC report(s) or the report(s) for the current period is not available, a narrative is **attached** to this certification providing the information as to the service provided and the reason a SOC report(s) has not been obtained or is not available. For information regarding materiality, please contact your agency's assigned OFM Accounting Consultant.

(18) If our agency utilizes the services of a specialist, such as an actuary, to determine amounts which are recorded in AFRS or reported through the disclosure form application, we have **attached** to this certification the following representation:

> We agree with the findings of [*name of specialist*] in evaluating the [*describe financial statement element or disclosure information*] and have adequately considered the qualifications of the specialist in determining the amounts recorded in AFRS or reported through this disclosure form application. We provided the specialist with accurate and complete information in response to requests and did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

Financial Disclosure Certification - concluded

(19) If applicable, significant assumptions used in making accounting estimates are reasonable.

(20) If applicable, we have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of the assets might not be recoverable and have appropriately recorded the adjustment.

(21) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities or net position, or plans have been disclosed.

(22) If applicable, we have identified and reported in the federal year-end disclosure process all expenditures, direct or indirect, financial or nonfinancial, made during the report period for all awards provided by federal agencies either directly or indirectly. This expenditure information includes awards in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.

(23) If applicable, the methods of measurement of federal expenditures are consistent with the prior period, or if such changes exist, their disclosure is **attached** to this certification. There are no significant assumptions or interpretations underlying the measurement of federal expenditures, or if such assumptions or interpretations exist, their disclosure is **attached** to this certification.

(24) We have provided all information requested by the State Auditor's Office (SAO) and have notified the SAO whenever records or data containing information subject to any confidentiality requirements were made available.

(25) We have completed all disclosure forms applicable to our agency's accounts and activities.

(26) No exceptions to the above certifications have occurred subsequent to June 30, 2016, and through the date of this certification, or if such conditions exist, their disclosure is **attached** to this certification.

(27) This Financial Disclosure Certification applies to all information provided to OFM by our agency during the fiscal year end closing process including e-mails, spreadsheets, etc.

Note: Any exceptions to the above certifications are **attached** with a narrative detailing the variance(s) and our proposed or completed corrective actions.

Account Code	Account Code	Account Code	Account Code	Account Code	Account Code

Printed Name and Title of Agency Head Signature Date

Printed Name and Title of Chief Financial Officer Signature Date

This page intentionally left blank.

Chapter 95 - Federal Assistance Reporting

95.10 Federal Assistance Reporting Policies and Procedures

95.10.10	Purpose of the policies	June 1, 2016
95.10.15	Authority for these policies	June 1, 2016
95.10.20	Applicability of these policies	June 1, 2016
95.10.30	Federal revenues	June 1, 2016
95.10.40	Federal clusters	June 1, 2016

95.20 Federal Assistance Disclosure Forms

95.20.10	Introduction to federal disclosure forms and lead sheet	June 1, 2016
95.20.20	Federal Financial Assistance – Direct	June 1, 2016
95.20.30	Federal Analytical Review	June 1, 2016
95.20.40	Federal Nonfinancial Assistance	June 1, 2016
95.20.50	Federal Nonfinancial Assistance Inventory Balances	June 1, 2016
95.20.60	Federal Loan Balances	June 1, 2016
95.20.70	Federal Assistance Received from Nonfederal Sources (Pass-Through)	June 1, 2016
95.20.80	Federal Identification Numbers	June 1, 2016
95.20.90	Federal Assistance Certification	June 1, 2016

This page intentionally left blank.

95.10
Federal Assistance Reporting Policies and Procedures

95.10.10 Purpose of the policies
June 1, 2016

Chapter 95 establishes the federal reporting policies and procedures governing the accumulation of accounting data for preparation of the state of Washington's *Statewide Single Audit Report*.

The Federal Single Audit Act of 1984, most recently amended in 1996, establishes uniform requirements for audits of federal assistance and promotes the efficient and effective use of audit resources. In addition, the federal Office of Management and Budget (OMB) has published the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The Uniform Guidance, which replaced the OMB A-133 Circular effective December 26, 2014, further delineates requirements for single audits of federal assistance. Under the provisions of the Act and Uniform Guidance, Washington has exercised the option to obtain a statewide Single Audit to satisfy the single audit requirements for federal assistance received and administered by all agencies of the State.

The Office of Financial Management (OFM) utilizes Chapter 95 to compile the Schedule of Expenditures of Federal Awards and the Data Collection Form in accordance with OMB Uniform Guidance requirements.

95.10.15 Authority for these policies
June 1, 2016

The authority for these policies is RCW 43.88.160(1).

The Uniform Guidance, §200.510 Financial statements, requires the state to report the total Federal Awards expended to be reported on the schedule of expenditures of Federal awards.

Federal awards expended are determined in accordance with §200.502 of the Uniform Guidance.

Federal awards, as defined in §200.38 of the Uniform Guidance, include Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, or cost-reimbursement contracts under the Federal Acquisition Regulations that a non-

Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity.

Federal financial assistance is defined in §200.40 of the Uniform Guidance.

95.10.20 Applicability of these policies

June 1, 2016

This chapter is applicable to all agencies of the state of Washington as defined in RCW 43.88.020(4) unless otherwise exempted by statute or rule.

95.10.30 Federal revenues

June 1, 2016

95.10.30.a Federal revenues are recorded in the Agency Financial Reporting System (AFRS) as follows:

- Revenue Source Codes 0301 through 0353 and 0357 through 0399 identify reportable direct federal assistance activity.
- Revenue Source Code 0546 identifies federal assistance received from other state and local governments or private entities.
- Revenue Source Code 0355 identifies federal revenue that is not classified as federal assistance.
- Revenue Source Code 03DS identifies the distribution of certain federal revenues by the State Treasurer.

With the exception of Revenue Source Code 0355, all federal revenues (Revenue Source Codes 0301-0399 plus 0546) are to be reported on the federal disclosure forms.

Revenue Source Code 0355 – Federal Revenue – Non-Assistance includes receipts from a federal agency when a state agency provides vendor services and the related expenditures are charged to a federal expenditure authority code, or other receipts from federal agencies that are not classified as federal assistance, even though the related expenditures are charged to federal expenditure authority codes. Revenue Source Code 0355 facilitates the matching of federal revenues and expenditures for budget purposes.

As for **Revenue Source Code 03DS – Federal Revenue Distributions,** distributions of reportable federal revenues need to be reported as expenditures of those program revenues on the applicable federal disclosure form. Revenue Source Code 03DS distributions applicable to revenues coded to Revenue Source Code 0355 should not be reported.

95.10.30.b **Accounting for federal assistance activity between state agencies**

When one state agency subgrants federal assistance to another state agency, the originating state agency records and reports the federal revenue and corresponding expenditure/expense using Object N "Grants, Benefits, and Client Services" for the amount paid to the subrecipient agency.

The subrecipient state agency records program expenditures offset by an interagency reimbursement (Object S) for the moneys received from the original agency. This results in no net revenue or expenditure/expense to the subrecipient agency.

95.10.30.c **AFRS changes made after the disclosure forms are closed**

For federal revenue reporting purposes, if adjustments to federal revenues or expenditures are posted to AFRS subsequent to closure of federal disclosure forms, the agency is required to correct the applicable disclosure forms. Contact your assigned OFM Accounting Consultant to have the disclosure forms reopened if corrections are needed.

95.10.30.d **Immaterial prior period adjustments and corrections**

Refer to Subsection 90.20.15.e. If a write-off of receivables involves federal revenues agencies should contact their assigned OFM Accounting Consultant.

95.10.40 Federal clusters

June 1, 2016

95.10.40.a **Designation of clusters:**

01 - Programs Not Clustered
02 - Research and Development
03 - Student Financial Assistance
04 - SNAP
05 - Food Distribution
06 - Child Nutrition
08 - Section 8 Project-Based
09 - Fish and Wildlife
10 - Employment Service
11 - WIA/WIOA
12 - Federal Transit
13 - Highway Safety
14 - Special Education (IDEA)
15 - TRIO
16 - Aging
17 - CCDF
18 - Medicaid
19 - Forest Service Schools and Roads
20 - Foster Grandparent/Senior Companion
21 - Disability Insurance/SSI
22 - Highway Planning and Construction
23 - Economic Development
24 - Foreign Food Aid Donation
26 - Transit Services Programs
27 - CDBG – Entitlement Grants
39 - Housing Voucher
41 - TANF
55 - CDFI
56 - Water and Waste Program
57 - Community Facilities Loans and Grants
58 - Health Center
59 - HOPE VI
60 - Clean Water State Revolving Fund
61 - Drinking Water State Revolving Fund
62 - Hurricane Sandy Relief
63 - CDBG – Disaster Recovery Grants – Pub L. No. 113-2

95.10.40.b **Definition of clusters (includes CFDA numbers and federal programs):**

1. **Programs Not Clustered** includes all federal assistance programs not specifically included in the remaining clusters.

2. **Research and Development (R&D)** cluster includes all research activities, both basic and applied, and all development activities that are performed by a nonfederal entity with federal financial assistance.

   - *Research* is a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

   - *Development* is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including the design and development of prototypes and processes.

3. **Student Financial Assistance (SFA)** cluster includes those programs of general financial assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, (20 U.S.C. 1070 et seq.) which are administered by the U.S. Department of Education, and similar programs provided by other federal agencies. It does not include programs which provide fellowships or similar federal awards to students on a competitive basis, or for specified studies or research. The following federal assistance programs will be reported in the SFA cluster:

   Department of Education (ED)

84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan - Federal Capital Contributions
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.379	Teacher Education Assistance for College and Higher Education Grants
84.408	Postsecondary Education Scholarships for Veteran's Dependents

Department of Health and Human Services (HHS)
93.264 Nurse Faculty Loan Program
93.342 Health Professions Student Loans, including Primary Care Loans and Loans for Disadvantaged Students
93.364 Nursing Student Loans
93.925 Scholarships for Disadvantaged Students

4. **SNAP Cluster**

Department of Agriculture (USDA)
10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

5. **Food Distribution Cluster**

Department of Agriculture (USDA)
10.565 Commodity Supplemental Food Program
10.568 Emergency Food Assistance Program (Administrative Costs)
10.569 Emergency Food Assistance Program (Food Commodities)

6. **Child Nutrition Cluster**

Department of Agriculture (USDA)
10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children

8. **Section 8 Project-Based Cluster**

Department of Housing and Urban Development (HUD)
14.182 Section 8 New Construction and Substantial Rehabilitation
14.195 Section 8 Housing Assistance Payments Program
14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
14.856 Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation

9. **Fish and Wildlife Cluster**

Department of the Interior (DOI)
15.605 Sport Fish Restoration Program
15.611 Wildlife Restoration and Basic Hunter Education

10. **Employment Service Cluster**

Department of Labor (DOL)
17.207 Employment Service/Wagner-Peyser Funded Activities
17.801 Disabled Veterans' Outreach Program (DVOP)
17.804 Local Veterans' Employment Representative (LVER) Program

11. **WIA/WIOA Cluster**

Department of Labor (DOL)
17.258 WIA/WIOA Adult Program
17.259 WIA/WIOA Youth Activities
17.278 WIA/WIOA Dislocated Worker Formula Grants

12. **Federal Transit Cluster**

Department of Transportation (DOT)
20.500 Federal Transit - Capital Investment Grants
20.507 Federal Transit - Formula Grants
20.525 State of Good Repair Grants Program
20.526 Bus and Bus Facilities Formula Program

13. **Highway Safety Cluster**

Department of Transportation (DOT)
20.600 State and Community Highway Safety
20.601 Alcohol Impaired Driving Countermeasures Incentive Grants I
20.602 Occupant Protection Incentive Grants
20.609 Safety Belt Performance Grants
20.610 State Traffic Safety Information System Improvements Grants
20.611 Incentive Grant Program to Prohibit Racial Profiling
20.612 Incentive Grant Program to Increase Motorcyclist Safety
20.613 Child Safety and Child Booster Seat Incentive Grants
20.616 National Priority Safety Programs

14. **Special Education Cluster (IDEA)**

Department of Education (ED)
84.027 Special Education - Grants to States (IDEA, Part B)
84.173 Special Education - Preschool Grants (IDEA Preschool)

15. **TRIO Cluster**

Department of Education (ED)
84.042 TRIO - Student Support Services
84.044 TRIO - Talent Search
84.047 TRIO - Upward Bound
84.066 TRIO - Educational Opportunity Centers
84.217 TRIO - McNair Post-Baccalaureate Achievement

16. **Aging Cluster**

Department of Health and Human Services (HHS)
93.044 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers
93.045 Special Programs for the Aging - Title III, Part C - Nutrition Services
93.053 Nutrition Services Incentive Program

17. **CCDF Cluster**

Department of Health and Human Services (HHS)
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

18. **Medicaid Cluster**

Department of Health and Human Services (HHS)

93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778 Medical Assistance Program

19. **Forest Service Schools and Roads Cluster**

Department of Agriculture (USDA)
10.665 Schools and Roads – Grants to States
10.666 Schools and Roads – Grants to Counties

20. **Foster Grandparent/Senior Companion Cluster**

Corporation for National and Community Service (CNS)
94.011 Foster Grandparent Program
94.016 Senior Companion Program

21. **Disability Insurance/SSI Cluster**

Social Security Administration (SSA)
96.001 Social Security - Disability Insurance (DI)
96.006 Supplemental Security Income (SSI)

22. **Highway Planning and Construction Cluster**

Department of Transportation (DOT)
20.205 Highway Planning and Construction
20.219 Recreational Trails Program
23.003 Appalachian Development Highway System

23. **Economic Development Cluster**

Department of Commerce (DOC)
11.300 Investments for Public Works and Economic Development Facilities
11.307 Economic Adjustment Assistance

24. **Foreign Food Aid Donation Cluster**

U.S. Agency for International Development (USAID)
98.007 Food for Peace Development Assistance Program
98.008 Food for Peace Emergency Program

26. **Transit Services Programs Cluster**

Department of Transportation (DOT)
20.513 Enhanced Mobility for Seniors and Individuals with Disabilities
20.516 Job Access and Reverse Commute Program
20.521 New Freedom Program

27. **CDBG – Entitlement Grants Cluster**

Department of Housing and Urban Development (HUD)
14.218 Community Development Block Grants/Entitlement Grants
14.225 Community Development Block Grants/Special Purpose Grants/Insular Areas

39. **Housing Voucher Cluster**

Department of Housing and Urban Development (HUD)
14.871 Section 8 Housing Choice Vouchers
14.879 Mainstream Vouchers

41. **TANF Cluster**

Department of Health and Human Services (HHS)
93.558 Temporary Assistance for Needy Families (TANF) State Programs
93.714 ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

55. **CDFI Cluster**

Department of the Treasury
21.012 Native Initiatives
21.020 Community Development Financial Institutions Program

56. **Water and Waste Program Cluster**

Department of Agriculture (USDA)
10.760 Water and Waste Disposal Systems for Rural Communities
10.781 Water and Waste Disposal Systems for Rural Communities - ARRA

57. **Community Facilities Loans and Grants Cluster**

Department of Agriculture (USDA)
10.766 Community Facilities Loans and Grants
10.780 Community Facilities Loans and Grants (Community Programs)

58. **Health Center Cluster**

Department of Health and Human Services (HHS)
93.224 Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care Centers)
93.527 Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program

59. **HOPE VI Cluster**

Department of Housing and Urban Development (HUD)
14.866 Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)
14.889 Choice Neighborhoods Implementation Grants

60. **Clean Water State Revolving Fund Cluster**

Environmental Protection Agency (EPA)
66.458 Capitalization Grants for Clean Water State Revolving Funds
66.482 Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants for Clean Water State Revolving Funds

61. **Drinking Water State Revolving Fund Cluster**

Environmental Protection Agency (EPA)
66.468 Capitalization Grants for Drinking Water State Revolving Funds
66.483 Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants for Drinking Water State Revolving Funds

62. **Hurricane Sandy Relief Cluster**

Department of Health and Human Services (HHS)
93.095 HHS Programs for Disaster Relief Appropriations Act – Non-Construction
93.096 HHS Programs for Disaster Relief Appropriations Act – Construction

63. **CDBG – Disaster Recovery Grants – Pub. L. No. 113-2 Cluster**

Department of Housing and Urban Development (HUD)
14.269 Hurricane Sandy Community Development Block Grant Disaster Recovery Grants (CDBG-DR)
14.272 National Disaster Resilience Competition

95.20
Federal Assistance Disclosure Forms

95.20.10 Introduction to federal disclosure forms and lead sheet

June 1, 2016

Information collected in the Disclosure Forms application facilitates the preparation of the annual state of Washington Schedule of Expenditures of Federal Awards by the Office of Financial Management (OFM).

The federal Disclosure Forms application is an electronic way of capturing detail data for various aspects of an agency's federal assistance activities. It incorporates federal reporting rules and regulations.

All forms are completed online. The signed Federal Assistance Certification form including attachments, as necessary, is to be emailed to OFMAccounting@ofm.wa.gov by January 31, 2017.

Due Dates	Reporting Items
September 2, 2016	Phase 2 close and federal disclosure forms
January 31, 2017	Federal Assistance Certification form

In order to accurately complete the disclosure forms by the due date, agencies should review the information in the Agency Financial Reporting System (AFRS) that is to be reported on the disclosure forms and make necessary adjustments in AFRS **prior to the end of Phase 2**. With the exception of the Federal Assistance Certification form, early completion is encouraged.

95.20.10.a General Instructions

Each state agency that expends awards of federal assistance during a state fiscal year must complete federal disclosure forms.

Agencies are **required** to complete two federal disclosure forms:

1. Federal Identification Numbers
2. Federal Assistance Certification

The remainder of the disclosure forms may or may not apply to your agency. If there is AFRS data pre-filled in a disclosure form, your agency is required to complete the form. Specify on the federal lead sheet if a form is completed by selecting "Yes" or "N/A" for each form in the "Completed" column.

All financial information reported should be rounded to the **dollar**. Do not enter pennies, decimal points, dollar signs, etc. Refer to the "Tips" screen in the Disclosure Form application for more helpful information.

All financial information reported should be reconciled to AFRS. The following reports in Enterprise Reporting (ER) are available to assist in the reconciliation process. Agencies are encouraged to use these reports throughout the year to monitor reconciliation status.

Financial Reports/Accounting/Federal/Federal Expenditures
Financial Reports/Accounting/Federal/Federal Indirect Cost Recovery
Financial Reports/Accounting/Federal/Federal Revenue
Financial Reports/Accounting/Federal/Federal Revenues & Expenditures
Financial Reports/Accounting/Federal/Non-Financial Revenues & Expenditures (GL 3225 & 6525)
Financial Reports/Accounting/Federal/Other Grant Assistance
Financial Reports/Accounting/Federal/State Agency Reimbursements

To complete the federal disclosure forms, access the Disclosure Forms application at: http://www.ofm.wa.gov/systems/default.asp. The "Access to systems" page is divided into "Access from within the State Intranet" and "Access from outside the State Intranet." Click on the Disclosure Forms link. Use an authorized User ID, agency, and password, and select the "Federal Forms" tab.

If you have a question regarding federal assistance reporting, contact your agency's assigned OFM Accounting Consultant.

95.20.10.b **Disclosure Form Instructions:**

Column Heading	**Instructions**
CFDA Number	From the drop down box, choose the five-digit code for a federal assistance program. This number should be listed in your grant award document. It can also be found in the Catalog of Federal Domestic Assistance (CFDA). Based on the CFDA number chosen from the drop down box, the following fields are automatically filled in: federal funding agency, major subdivision, program title, and cluster. In the absence of a CFDA number where the agency has a federal award number, the last three digits of the CFDA number should be zeros (XX.000) and the federal award number must be provided. In the absence of both a CFDA number and a federal award number, the last three digits of the CFDA number should be nines (XX.999).
Federal Funding Agency	Name of the federal agency awarding the federal financial assistance. This field is automatically filled in based on the CFDA number entered.
Major Subdivision	Name of the organizational unit, within the federal agency, awarding the federal financial assistance. Except as noted below, this field is automatically filled in based on the CFDA number entered. It can also be found in the Catalog of Federal Domestic Assistance. When using CFDA numbers XX.000 and XX.999, the subdivision is not automatically filled in. State agencies are required to enter the major subdivision name when reporting federal financial assistance under the Research and Development (R&D) program cluster.
Program Title	Title of the federal program providing the federal financial assistance. This field is automatically filled in based on the CFDA number entered. It can also be found in the Catalog of Federal Domestic Assistance. Entry of the CFDA number XX.000 automatically generates “Contract Number Only Provided” in the program title field and requires entry of an award contract number in the appropriate box.

	Entry of CFDA number XX.999 automatically generates "Undetermined" in the program title field.
Cluster	Cluster numbers are cross-referenced to CFDA numbers in the disclosure form application. This field is automatically filled in based on the CFDA number entered. CFDA numbers that cross-reference to the Research and Development Cluster (02) should be individually reviewed. If your federal award document does not specify R&D, it may be appropriate to change the cluster to 01-Programs Not Clustered. Refer to Subsection 95.10.40 for cluster designations and definitions.
Award Contract Number	The award document number assigned by a federal awarding agency or a pass-through entity providing federal assistance to a state agency. The award contract number is limited to a maximum of 22 characters.
Revenue Amount	Amount of federal revenues recognized in the federal assistance program for the state fiscal year. Amounts should be rounded to the **dollar**.
Expenditure Amount	Amount of federal expenditures in the federal assistance program for the state fiscal year. Includes both direct expenditures and agency indirect expenditures (charged in accordance with a federally approved indirect rate cost pool or cost allocation plan). Amounts should be rounded to the **dollar**.
Difference	Variance between the revenue amount entered and the expenditure amount entered. This field is automatically filled based on the amounts entered. Generally the difference should be zero.
Expenditure Amounts Passed Through to Subrecipients	That portion of federal award expenditures passed through to subrecipients. Do not include amounts passed through to other agencies of the state of Washington, except when a portion of the amount passed through is subsequently passed through to a non-state agency (subrecipient). The amount passed through to the non-state agency should be reported as a pass through expenditure by the original state agency. Amount should be rounded to the **dollar**.

95.20.10.c Required conversion of CFDA number for reporting purposes

There are two situations where the federal agency number used in the CFDA catalog does not agree with the federal agency number accepted by the federal single audit clearinghouse.

Situation #1 - The CFDA catalog lists all federal assistance programs of the National Foundation on the Arts and Humanities under one federal agency code 45. The federal clearinghouse does not recognize that code and requires reporting under three separate federal agency codes: 05-National Endowment for the Arts, 06-National Endowment for the Humanities, and 03-Institute for Museum Services. Check your award document for the proper federal agency and award number.

Situation #2 - The CFDA catalog lists the Executive Office of the President under federal agency code 95. The federal clearinghouse does not recognize that code. The program in question is the High Intensity Drug Trafficking Program. The federal clearinghouse has clarified that the program is to be reported under federal agency code 07-Office of National Drug Control Policy.

In these two situations, to ensure that CFDA numbers used for the Schedule of Expenditures of Federal Awards (SEFA) agree with CFDA numbers accepted by the federal single audit clearinghouse the following conversions must be made by the agency in the reporting process:

CFDA Catalog #	CFDA # to be used on SEFA
45.024	05.024
45.025	05.025
45.129	06.129
45.130	06.130
45.149	06.149
45.160	06.160
45.161	06.161
45.162	06.162
45.163	06.163
45.164	06.164
45.169	06.169
45.301	03.301
45.302	03.302

45.308	03.308	
45.309	03.309	
45.310	03.310	
45.311	03.311	
45.312	03.312	
45.313	03.313	
45.999	03.999, 05.999, 06.999	Check award document for proper agency.
95.001	07.000 or 07.999	Dependent on award number availability.

Federal Assistance Disclosure Form Lead Sheet

Agency Code: _____ Agency Title: _____

95.20.10 Federal Assistance Disclosure Form Lead Sheet

Federal Disclosure Forms	SAAM	Required	Completed
Due September 2, 2016 – Phase 2 Disclosure Forms			
Federal Analytical Review	95.20.30		Yes / N/A
Federal Assistance Received from Nonfederal Sources (Pass-Through)	95.20.70		Yes / N/A
Federal Financial Assistance - Direct	95.20.20		Yes
Federal Identification Numbers	95.20.80	**Required**	Yes
Federal Loan Balances	95.20.60		Yes / N/A
Federal Nonfinancial Assistance	95.20.40		Yes / N/A
Federal Nonfinancial Assistance Inventory Balances	95.20.50		Yes / N/A
Due January 31, 2017 - Certification			
Federal Assistance Certification	95.20.90	**Required**	Yes

95.20.20 Federal Financial Assistance - Direct

June 1, 2016

Use this form to report all expenditures of federal financial assistance received or expected to be received directly from a federal agency. This encompasses the majority of the federal financial assistance received by the state of Washington. In addition, the form is used to reconcile reported amounts to financial information recorded in the state Agency Financial Reporting System (AFRS).

Financial information is summarized by CFDA number. List both accrued and received federal revenue (Revenue Source Codes 0301 through 0354, 0356 through 0399 and 03DS) and the related expenditures for federal assistance. Agencies are also required to report the portion of expenditures passed through to subrecipients.

Refer to Subsection 95.20.10.b for general disclosure form instructions.

Federal Financial Assistance - Direct

Agency Code: _____ Agency Title: _____

95.20.20 Federal Financial Assistance - Direct

CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Cluster	Award Contract Number	Revenue Amount	Expenditure Amount	Difference	Expenditure Amount Passed Through to Subrecipients

Reconciliation of Agency Direct to ER "Federal Revenue" report

	Revenue	Expenditure
Totals from above	$ _____	$ _____
Revenue totals from ER "Federal Revenue" report		
GL Codes 3205, 3210 and 3260, excluding Revenue Source Code 0355	_____	_____
Differences (should be zero)	_____	_____

If there is a difference, please note the CFDA number and include an explanation below.

_____

95.20.30 Federal Analytical Review

June 1, 2016

This form is automatically populated based on federal financial assistance reported on the Direct, Pass-Through, Nonfinancial Assistance and Loan Balances forms if there has been material change in balances reported for a CFDA number since last fiscal year.

OFM will establish the materiality thresholds annually. After completion of the other federal forms, review this form to see if material changes have been identified. All material changes on this form require an explanation.

Refer to Subsection 95.20.10.b for general disclosure form instructions.

Federal Analytical Review

Agency Code: _____ Agency Title: _____

95.20.30 Federal Analytical Review

Instructions: Complete this form after you have finished the Direct, Pass-Through, Nonfinancial Assistance and Loan Balances federal forms.

If there has been a **material** change on a federal form since last fiscal year, this form will automatically populate with the current year and prior year information. Provide an explanation for each material change listed below.

Federal disclosure form	Expenditures/ Passed Through to Subrecipients	CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Prior Year Expenditure Amount	Current Year Expenditure Amount	Change	Explanation
A. Direct	Expenditures								
	Passed Through to subrecipients								
B. Pass-Through	Expenditures								
	Passed Through to subrecipients								
C. Nonfinancial Assistance	Expenditures								
	Passed Through to subrecipients								
						Prior Year	Current Year		
D. Loan Balances	Ending Loan Balances as of June 30								

95.20.40 Federal Nonfinancial Assistance

June 1, 2016

Washington receives federal nonfinancial assistance in the form of surplus property and donated inventories (for example food commodities and immunization supplies).

State agencies with federal nonfinancial programs use this form to report the expenditure or usage of this assistance by federal catalog number for the fiscal year ending June 30. The nonfinancial assistance programs (CFDA numbers) are prelisted for convenience. If a CFDA number is not listed, contact your agency's assigned OFM Accounting Consultant.

Custodial state agencies, such as the Department of Enterprise Services, that transmit portions of their donated inventories to other state agencies for eventual use, should not record expenditures upon transmission (refer to Subsection 85.56.40.c).

Refer to Subsection 95.20.10.b for general disclosure form instructions.

Federal Nonfinancial Assistance

Agency Code: _____ Agency Title: _____

95.20.40 Federal Nonfinancial Assistance

CFDA #	Federal Funding Agency	Program Title	Revenue Amount	Expenditure Amount	Difference (Must be zero)	Expenditure Amounts Passed Through to Subrecipients
Totals						

Revenue amounts should be limited to Accounts 001 and 416, GL Code 3225, Revenue Source codes 03XX. Expenditure amounts should be limited to Accounts 001 and 416, GL Code 6525, Objects N and E, and Expenditure Authority types 2 and 3 in Account 001 and Expenditure Authority types 2, 3 and 6 in Account 416. This form should include CFDA numbers 10.551, 10.555, 10.565, 10.569, 39.003, 93.069, and 93.268. CFDA number 39.003 amounts, if any, should be entered on a separate line with revenues amounts equal to expenditure amounts. Because the value for federal surplus property is normally not entered in the state accounting system, the amounts for CFDA number 39.003 will not be included on the ER report referenced in the reconciliation box below.

Reconciliation of Agency Nonfinancial to ER Federal "Non-Financial Revenues & Expenditures" report

	Revenue	Expenditure
Totals from above, less CFDA number 39.003, if any	$ _____	$ _____
Totals from ER Federal "Non-Financial Revenues & Expenditures" report Accounts 001 and 416		
Revenues: GL Code 3225, Revenue Source codes 03XX Expenditures: Accounts 001 and 416, GL Code 6525, Objects N and E, Expenditure Authority types 2 and 3 (Account 001) and Expenditure Authority types 2, 3 and 6 (Account 416)	_____	_____
Differences (should be zero)	_____	_____

If there is a difference, please note the CFDA number and include an explanation below.

_____

95.20.50 Federal Nonfinancial Assistance Inventory Balances

June 1, 2016

Use this form to report the dollar value of year-end balances of federally donated inventories. The inventory balances reported on this form must equal the respective asset and the corresponding unearned revenue amounts as recorded in AFRS in GL Code 1415 “Donated Inventories” and GL Code 5190 “Unearned Revenue.”

Refer to Subsection 95.20.10.b for general disclosure form instructions.

Federal Nonfinancial Assistance Inventory Balances

Agency Code: _____ Agency Title: _____

95.20.50 Federal Nonfinancial Assistance Inventory Balances

CFDA #	Federal Funding Agency	Program Title	GL 1415 Inventory Amount	GL 5190 Unearned Revenue Amount	Difference (Must be zero)
Totals					

Federal Inventory June 30th Balance Recap

Inventory amount from above $ _____

AFRS Amount GL Code 1415, June 30 _____

Differences (must be zero) _____

Beginning federal inventory balance
from AFRS GL Code 1415, July 1 $ _____

Enter total acquisitions/additions
to inventory during the year _____

Expenditure Amount input on the
Federal Nonfinancial Assistance screen _____

Subtotal _____

Ending federal inventory balance
from AFRS GL Code 1415, June 30 _____

Difference (should be zero) _____

If there is a difference, please note the CFDA number and include an explanation below:

_____

95.20.60 Federal Loan Balances

June 1, 2016

Use this form to report activity and balances of loans. These loans provide a measurement of audit risk for the federal assistance loan or loan guarantee programs.

The beginning balance and new loan amount must be entered as positive numbers, and the repayment amount must be entered as a negative number. The ending loan balance is a calculated field.

The reconciliation to the Federal Direct form is automatically populated based on the CFDA numbers entered on the Federal Loan Balance form and the Federal Direct form. If there is a difference provide a detailed explanation including the related CFDA number.

Refer to Subsection 95.20.10.b for general disclosure form instructions.

Federal Loan Balances

Agency Code: _____ Agency Title: _____

95.20.60 Federal Loan Balances

The costs of administration of these programs should not be recorded on this form. Costs of administration should be recorded on the Federal Financial Assistance - Direct form.

CFDA #	Federal Funding Agency	Major Sub-division	Program Title	Cluster	Loan Balances as of July 1
				Total	

Federal Loan Balances Reconciliation

Beginning loan balances as of July 1, from above	$ _____
Plus: New loans	_____
Less: Repayments	(_____)
Ending loan balances as of June 30	$ _____

Reconciliation to the Federal Direct Form

New loans, from the loan balance reconciliation above	$ _____
Repayments, from the loan balance reconciliation above	(_____)
Total	_____
Amount reported on the Federal Financial Assistance - Direct form	_____
Difference (should be zero)	$ _____

If there is a difference, note the CFDA number and provide an explanation below:

_____

95.20.70 Federal Assistance Received from Nonfederal Sources (Pass-Through)

June 1, 2016

All state agencies are required to separately record and report all federal financial assistance received from entities other than federal or Washington state awarding agencies. Agencies account for this indirect federal assistance using Revenue Source Code 0546 “Federal Revenue - Pass-Through.” Generally, the associated expenditures are accounted for as private/local expenditure authority charges.

This form provides a means for entering federal assistance received from nonfederal entities, and reconciling the entered amount to revenue recorded in AFRS.

Agencies are to list CFDA number, pass-through entity name and grant agreement or award contract control number, all federal financial assistance and associated expenditures from other than federal and Washington state agency grantors (Revenue Source Code 0546). Agencies are also required to report the portion of expenditures passed through to subrecipients.

Refer to Subsection 95.20.10.b for general disclosure form instructions.

Federal Assistance Received from Nonfederal Sources (Pass-Through)

Agency Code: _____ Agency Title: _____

95.20.70 Federal Assistance Received from Nonfederal Sources (Pass-Through)

CFDA#	Federal Funding Agency	Major Sub-division	Program Title	Cluster	Entity Name	Award Contract Number	Revenue Amount	Expenditure Amount	Difference	Expenditure Amount Passed Through to Subrecipients

Reconciliation of Agency Pass-Through to ER Federal "Other Grant Assistance" report

	Revenue	Expenditure
Totals from above	$ _____	$ _____
Revenue totals from ER Federal "Other Grant Assistance" report		
GL Codes 3205, 3210 & 3260, Revenue Source Code 0546	_____	_____
Differences (should be zero)	_____	_____

If there is a difference, please note the CFDA number and include an explanation below.

_____

95.20.80 Federal Identification Numbers

June 1, 2016

Agencies are required to list all federal, nine-digit **Employer Identification Numbers (EINs)** covered by the state of Washington Single Audit. OFM interprets the term covered to mean all EINs related to CFDA program expenditures for which single audit requirements are satisfied by the state of Washington Single Audit.

Agencies are also required to provide a federal universal grant identifier number for their agency. This number, commonly referred to as a **DUNS (Data Universal Numbering System) number**, is available from Dun and Bradstreet. It is required on all federal grant applications and federal expenditure reporting.

Both EINs and DUNS numbers are reported to the federal government in a statewide listing with no attempt made to correlate individual numbers with specific CFDA programs.

The agency code field will prefill with the agency's four digit code and name.

Enter the EIN. Report as many EINs as appear in the total federal assistance activity for the year. Some agencies may have more than one EIN or involve other state agencies that have their own EIN(s), in their federal assistance. **Do not report** EINs for other than state agencies.

Enter the agency's DUNS number. Agencies that have more than one DUNS number must designate one number as the master DUNS number for federal assistance purposes. Only the Community and Technical College System will report multiple numbers (one for each institution).

Federal Identification Numbers

Agency Code:_____ Agency Title: _____

95.20.80 Federal Identification Numbers

Agency Code	Employer Identification Number (EIN)

Agency Code	DUNS Number

95.20.90 Federal Assistance Certification

June 1, 2016

All agencies receiving federal assistance are required to complete the Federal Assistance Certification form.

The Agency Head and the Chief Financial Officer must certify, to the best of their knowledge, that the statements included in the Federal Assistance Certification form are true for their agency.

Any exceptions to the certifications are to be attached with a narrative detailing the variance(s) and any proposed or completed corrective actions.

The signed Federal Assistance Certification form including attachments, as necessary, is to be emailed to OFMAccounting@ofm.wa.gov by January 31, 2017.

Federal Assistance Certification

Agency Code: _____ Agency Title: _____

95.20.90 Federal Assistance Certification

I certify, that to the best of my knowledge, the following statements are true:

(1) We are responsible for complying, and have complied with the requirements of
- the Office of Management and Budget (OMB) Circulars A-133, *Audits of States, Local Governments and Non-Profit Organizations* and applicable cost principles, or
- the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

(2) We have provided all information requested by the State Auditor's Office (SAO) and have notified the SAO whenever records or data containing information subject to any confidentiality requirements were made available.

(3) We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have complied, in all material respects, with those requirements.

(4) We are responsible for establishing and maintaining, and have established and maintained effective internal control over federal program compliance, providing reasonable assurance that federal awards are managed in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on those programs.

(5) We have identified and disclosed to the auditor:
- All requirements of laws, regulations and provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- All amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews.

(6) We have complied, in all material respects, with compliance requirements in connection with our federal awards except as disclosed to the auditor or documented in writing during the reporting process.

(7) We have provided to the auditor our interpretations of any compliance requirements that are subject to varying interpretations.

(8) We have made available all contracts and grant agreements (including any amendments) and any correspondence that has taken place with federal agencies or pass-through entities related to our federal programs.

(9) We have made available all documentation related to compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements, and:
- Such financial reports and claims are supported by the books and records from which the basic financial statements have been prepared.

Federal Assistance Certification - concluded

- The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

(10) As applicable, we have:

- Disclosed to the auditor the findings received and related corrective action taken for previous audits, attestations engagements and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective action taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Responsibility for taking corrective action on audit findings of the compliance audit.
- Provided the auditor with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass through entities, including management decisions.

(11) We have disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

(12) We have disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal controls over compliance, have occurred subsequent to the date as of which compliance was audited.

(13) We have monitored subrecipients to determine they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133 and applicable cost principles or the Uniform Guidance. If applicable, we have:

- Issued management decisions timely after receiving subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements; and ensured that subrecipients have taken the appropriate and timely corrective action on findings, and
- Considered the results of subrecipient audits and made any necessary adjustments to our books and records.

(14) To the best of my knowledge, no known instances of noncompliance with direct and material compliance requirements or exceptions to the above certifications have occurred subsequent to June 30, 2016, and through the date of this certification.

Note: Any exceptions to the above certifications are attached with a narrative detailing the variance(s) and our proposed or completed corrective actions.

Printed Name and Title of Agency Head	Signature	Date
Printed Name and Title of Chief Financial Officer	Signature	Date