



Summer 2016

# The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

## Federal Update

### *Status of Prior Findings:*

Agencies who received federal findings in the 2015 Statewide Single Audit recently received email requests from OFM Statewide Accounting requesting updates to corrective action plans. Just a reminder, the information included in the status of prior findings and corrective action plans must be as of June 30, 2016, and returned to OFM by July 15, 2016. The Auditor's Office will begin follow-up procedures on prior audit findings as soon as possible.

### *Disclosure Forms:*

Last year, OFM created the Federal Analytical Review disclosure form for the Federal Financial Assistance Direct disclosure form as a tool for agencies to identify and provide explanation on significant fluctuations between the current and prior year. This year, the Analytical Review form will be expanded to include all of the federal forms. Agencies will need to complete this form AFTER the current year federal forms have been completed, but prior to phase two closing on September 2, 2016. Please refer to SAAM 95.20.30 for more information on the Federal Analytical Review form.

The new form may take more time so plan on starting your disclosure forms early! Please also note that the fiscal year 2016 Federal Assistance Certification form has a later due date of January 31, 2017, this year.

For more information, please contact Sara Rupe at (360) 725-0189 or [sara.rupe@ofm.wa.gov](mailto:sara.rupe@ofm.wa.gov).



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## 29 Years of Excellence in Financial Reporting!

The state of Washington was awarded its 29<sup>th</sup> consecutive Certificate of Achievement for Excellence in Financial Reporting for its fiscal year 2015 *Comprehensive Annual Financial Report* (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. It represents a significant accomplishment by the state.

The fiscal year 2015 award is particularly noteworthy because we were able to publish the CAFR on October 30<sup>th</sup> and maintain the excellence required for the award. This accomplishment is the direct result of all the time and effort that the fiscal staff at each state agency devoted to closing the fiscal year earlier and providing quality financial data for the CAFR. Without all of you the award would not be possible.

Thank you one and all!

To view the 2015 CAFR online, please visit our website at: <http://www.ofm.wa.gov/cafr/2015/default.asp>.

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

## Go Team, Go!

We rely on you for a successful, timely fiscal year close. As we look ahead to the next few months, your adherence to the following year-end deadlines is critical.

Due Date	Reporting Items
July 15	Disclosure Form application opens
July 22	Interagency billings must be mailed
July 29	Phase 1 closes – Agency Accruals
August 19	Phase 1B <ul style="list-style-type: none"> <li>• Certain state disclosure forms are due</li> <li>• <b>Interagency receivable/payable balancing due</b></li> <li>• Pollution remediation site status report due</li> </ul>
September 2	Phase 2 closes <ul style="list-style-type: none"> <li>• Agency adjustments in AFRS must be completed</li> <li>• Remaining State and all Federal disclosure forms are due, disclosure form application closes</li> </ul>
September 14	State Financial Disclosure Certification form is due
January 31, 2017	Federal Assistance Certification form is due

A couple of important reminders to help the fiscal year close a little easier:

- Reconcile, reconcile, reconcile - including:
  - In-process (GL 71XX) and clearing (GL 9920) balances
  - General ledger balances to subsidiary records, for example capital asset GL codes 2XXX to CAMS (or your approved internal capital asset system)
  - General ledger balances in Account 01P Suspense and Account 035 State Payroll Revolving Account, clearing as necessary. Remember interagency and interfund receivables and payables are not allowed in these accounts at fiscal year-end
  - Accruals (receivables and payables)

**Don't forget that the reconciliation isn't complete until any needed journal entries are posted in AFRS, and someone follows up to make sure that the cleanup journal entries posted correctly.**
- Send out interagency billings promptly. Prioritize interagency receivable/payable reconciliations because many agencies have early internal close dates.
- Review general ledger balances unchanged from last year.
- Review balances in Unearned Revenue GL codes 5190/5290 and Unavailable Revenue GL codes 5192/5292 for appropriateness.
- Complete your disclosure forms early if possible, and ensure that any related AFRS entries are posted.

The Disclosure Form application for state and federal disclosure forms opens on July 15. Check your access security early.

If your agency is unable to meet one of the due dates listed above contact your assigned OFM Accounting Consultant as soon as possible.

If you have any questions, please call your assigned OFM Accounting Consultant. If we have questions, we'll call you!

## Year-End Closing Resources

To assist you in the fiscal year-end closing process, the following resources are available on OFM’s website at:

[www.ofm.wa.gov/resources/yearend.asp](http://www.ofm.wa.gov/resources/yearend.asp).

Resource	Description
AFRS/CAFR closing schedule	A monthly calendar with key dates for the closing process.
FY16 Closing calendar	A calendar with Phase 1 and 2 due dates.
Interagency receivable/payable contact list	A list of agency contacts for interagency receivable and payable billings.
Most common AFRS transaction codes for fiscal year-end	A handy “cheat sheet” that lists the transaction codes to be used for common fiscal year-end AFRS entries.
OST year-end cash memo	A link to OST’s closing schedule with cutoff dates for treasury activity.
SAAM directives for Chapter 90 & 95 updates	A link to the June 1, 2016, SAAM updates.
State Fiscal Year-end Update class PowerPoint presentation	The class PowerPoint presentation, posted after June 23.
Federal Fiscal Year-end Update class PowerPoint presentation	The class PowerPoint presentation, posted after June 23.
State Disclosure Form class PowerPoint presentation	The class PowerPoint presentation, posted after August 2.
Pollution Remediation Information	Site status report instructions and template.

We welcome suggestions for additions to this website. If you have any questions or suggestions, please contact Suzanne Coit at (360) 725-0187 or [suzanne.coit@ofm.wa.gov](mailto:suzanne.coit@ofm.wa.gov).

## Update: Changes to IRS Form 1099-MISC Filing

As reported in the Spring 2016 edition of *The Connection*, the due date for filing Forms 1099-MISC with the IRS has been moved up from March 31. For nonemployee compensation reported in Box 7, the deadline to file is now January 31. This requires a change to the current process. Because the IRS filing date is much sooner than previous years, this means that agencies will need to reconcile and finalize their reporting data sooner.

In an effort to analyze current processes and assist agencies with reconciliation and filing, OFM and WaTech have agreed to the following:

- Modify the baseline Web Intelligence query used for 1099 reporting and reconciliation. The goal is to improve reconciliation capabilities for agencies.
- Allow agencies to make corrections to forms directly within the Account Ability software.
- Explore the possibility of using Account Ability to file electronic corrections with the IRS.

For more information, refer to the following resources:

[WaTech site: 1099-MISC FAQs](#)  
[IRS Form 1099 General Instructions](#)

If you have any questions, please contact Steve Nielson at [steve.nielson@ofm.wa.gov](mailto:steve.nielson@ofm.wa.gov) or (360) 725-0226.

# What Is One Washington?

It's a bird! It's a plane! It's Superman! No, it's not! What is it?

One Washington is certainly not a project in the traditional sense of projects. One Washington is so much more than a project. One Washington is a BUSINESS TRANSFORMATION PROGRAM!

One Washington is a long term program that takes a comprehensive look at the business processes across the state and identifies which of those key business functions need to be interconnected, consistent and managed in a unified, cohesive manner so that we have reliable data. One Washington will also ensure that we have access to data that is accurate, available in a timely fashion and meets the business needs of decision makers.

The One Washington office has begun to identify these key business functions and the systems that support them so that we can clarify what is included under this One Washington Umbrella. Creating consistency and commonality around these business processes will have a multitude of benefits to the state.

- Collection of all critical data statewide
- Ensure integrity of data collected
- Accurate data through consistent business processes and common systems

During this biennium we are focusing our efforts in six areas. These six work streams will either standardize business processes or include readiness preparation activities that will help position us for implementations of systems in future years.



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## Summer Quarter Training Offered on a Variety of Subjects

We are pleased to announce that the following training classes will be offered this quarter. All classes will be taught by Statewide Accounting staff.

Class Name	Dates	Times	Duration
Accounting for Payroll	July 8	8:30 – 4:00	7.5 hours
General Ledger Reconciliation: Basics	July 20	1:15 – 4:45	3.5 hours
Health Insurance Reconciliation	August 8	1:15 – 4:45	3.5 hours
In-Process Report Training	July 26	1:00 – 4:30	3.5 hours
Internal Control: Payroll	August 15	8:00 – 12:00	4 hours
Introduction to GAAP in WA State	August 10	8:30 – 4:00	7.5 hours
Payroll Revolving Account Reconciliation	July 27	8:30 – 3:00	6.5 hours
State Disclosure Forms	July 26 August 2	8:00 – 11:30	3.5 hours

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

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

Classes will be held at the Capitol Courthouse Building, Suite 110 or in the Department of Enterprise Services Building at 1500 Jefferson St SE. Parking is limited so we recommend taking the DASH bus or walking if possible.

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

## DES Financial and HR Services

Did you know that the Department of Enterprise Services (DES) offers financial and human resource services to state agencies? These services allow agencies to focus on their core missions, strategic plans, and most importantly, their customers.

The DES Financial Services team provides efficient, centralized financial services including budgeting, accounts payable, accounts receivable, cash receipting, and payroll for state agencies. Find out more about your options by viewing the [Rates and Service Commitment document](#). Contact Gwen McClanahan at (360) 407-8132 [gwen.mcclanahan@des.wa.gov](mailto:gwen.mcclanahan@des.wa.gov) or Jim Morgan at (360) 407-9458 [jim.morgan@des.wa.gov](mailto:jim.morgan@des.wa.gov) for more information.

The DES Human Resources team recently created a three-tiered service level approach as a cost-effective way to meet the diverse personnel needs of the state agencies they support. In addition to offering light, basic and complete HR annual agreements, the HR team is developing various fee-for-service rate structures for services like recruitment, investigations/fact-findings, ergonomic assessments, and workforce planning. To find out more about our annual and single-use services, please contact Michaela Doelman at (360) 407-9214 or [michaela.doelman@des.wa.gov](mailto:michaela.doelman@des.wa.gov).

DES Financial Services Manager Gwen McClanahan said, “DES provides a broad range of expertise. We have extensive experience in financial and human resource matters. Give us a call. We would like to share how we can help your agency too.”

### What Is One Washington? *- continued from page 4*

- The Chart of Accounts (COA) Improvement Project is underway now. We engaged a consulting firm that has completed a design for the Future State COA. We will continue this work through establishing COA Governance and standardization of the coding element, Expenditure Sub-Sub-Object. We will have lots more to share on this project as we move through the summer!
- Procurement Readiness includes documenting and reviewing procurement processes to identify opportunities for improvement and standardization of data to prepare for future technology implementation.
- Transportation Readiness consists of partnering with WSDOT to identify business requirements and look for commonality and opportunities for enterprise systems.
- Strategic Integration Partner Selection involves a non-traditional approach to choose a Strategic Partner and Implementer. We will conduct a competitive search to choose a Strategic Partner and Implementer to assist us with the planning, phasing and structuring of our implementations so that we can achieve them in incremental, fundable amounts.
- Facilities Inventory System is a project to implement a software solution to provide a statewide facility inventory.
- Budget System Improvements is a project to transfer LEAP budget systems to OFM.

These six areas of work this biennium will help us prepare for next steps and future implementations. For more information, please contact Stacey Scott, One Washington Program Director at (360) 725-0183 or [stacey.scott@ofm.wa.gov](mailto:stacey.scott@ofm.wa.gov).