



The Connection

A QUARTERLY NEWSLETTER FROM OFM REPORTING NEWS & INFORMATION ON STATEWIDE ACCOUNTING

SAAM Update

In August, we updated Chapter 95 Federal Assistance Reporting of the *State Administrative and Accounting Manual (SAAM)* to reflect critical federal year-end reporting requirements as well as modifications to federal audit clusters included in the March 2012 OMB A-133 Compliance Supplement, Part 5. This update was effective June 30, 2012. For a complete list of changes to Chapter 95, refer to OFM Directive 12A-05.

As a result of changes adopted by the U.S. General Services Administration, we modified the maximum allowable lodging rate for Franklin County. The maximum allowable lodging rate for Franklin County increased from \$77 to \$93. This change was effective October 1, 2012. Refer to SAAM Subsection 10.90.20 and the state Per Diem Rates map available on OFM's Travel Resources website at: <http://www.ofm.wa.gov/resources/travel.asp>. Also refer to OFM Directive 12A-06.

For all SAAM policies, OFM directives, technical corrections, and superseded policies visit OFM's website at: <http://www.ofm.wa.gov/policy/default.asp>.



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Modifications to the Capital Asset Management System (CAMS)

Over the past few months, the Office of Financial Management (OFM) Statewide Accounting in conjunction with the Department of Enterprise Services (DES) modified the Capital Asset Management System (CAMS). The changes made improve CAMS functionality and provide agencies with new reporting options. Key changes to CAMS include:

- Corrected the end date for calculation of depreciation to the disposal date.
- Cleansed CAMS data including correcting records with invalid dates.
- Provided a uniform date format view for all dates in the system to reduce confusion when entering data and reading records.
- Updated the ownership field to allow agencies to identify items purchased with Certificates of Participation (COP) proceeds. Agencies are required to capitalize assets acquired with COP proceeds regardless of individual cost. All records with this ownership type will be automatically reported on the CM800 reports.
- Revised the CM800 reports to reflect current business rules and reduced the number of reports available from four to two.
- Created a small and attractive assets indicator to allow agencies to identify records in CAMS which do not meet the state's capitalization threshold, but that the agency is tracking because of state or internal policies. OFM and DES are in the process of working with agencies to flag small and attractive asset records that already exist in CAMS. Agencies can utilize this new functionality when adding new small and attractive assets to CAMS. Agencies can run reports for only small and attractive asset records or for all records.

OFM Statewide Accounting and DES are continuing to consider potential modifications to CAMS. If you have questions about the modifications to CAMS or suggestions for future modifications, please contact your agency's assigned accounting consultant.

IT Costs...and the Beat Goes On

Decision makers continue to have a keen appetite for IT cost information. To satisfy them, we have been involved in a three step process:

- **Step 1** - identify what IT costs are and where they occur in each agency,
- **Step 2** - capture that information using Project Types X and Y, the Portfolio Management System, and the Gartner Total Cost of Ownership study, and
- **Step 3** - analyze and use that information to improve the state's return on IT investments.

We very much appreciate your continuing efforts to improve the information recorded as Project Types X and Y (Step 2). This AFRS data will be one of the primary sources for the IT Budget that will be part of the Biennial Budget documents. Another important source of IT Budget information is the Portfolio Management System. Agency efforts to make sure this data is up to date and accurate will pay dividends.

As we continue our efforts on Step 2, the Office of the Chief Information Officer (OCIO) has started Step 3. They are currently rolling out a new Information Technology Financial Management (ITFM) tool. This system imports data from AFRS, Portfolio Management System, and other sources and provides agencies the opportunity to expose and manage their IT costs in new and exciting ways.

We have come a long way and new opportunities and challenges lie ahead.

For additional information on the ITFM tool, contact Larry Dzieza at larry.dzieza@ofm.wa.gov, or Bob Zych at bob.zych@ofm.wa.gov.

Cell Phone Allowance Wage Types in HRMS

As a result of the new state cellular device policy (Policy No. 191) issued by the Office of the Chief Information Officer (OCIO), three new wage types were added in the Human Resource Management System (HRMS) to pay cell phone allowances. These new wage types can be used with a start date as early as July 1, 2012.

The wage types have been configured to allow amounts up to the monthly maximum allowed by the cellular device policy:

- 1116 Cell Voice (Voice access) allows for up to \$10 per month.
- 1117 Cell Data (Data access) allows for up to \$30 per month.
- 1118 Cell VceDta (Voice and data access) allows for up to \$40 per month.

All three wage types are configured to charge subobject/sub-subobject BE SW22 (Cellular device) in AFRS.

There is functionality in HRMS that will cause a payroll redline if more than one of the wage types is used in any period or if the monthly amount (10th payroll followed by the 25th) exceeds that allowed by the cellular device policy.

If your agency used a different allowance wage type to pay these allowances since July 1, 2012, you can simplify your reporting by changing to one of the new codes in retro.

If you have questions on how to use the wage types, contact the DES Service Center at 360-664-6400 or servicecenter@dop.wa.gov. If you have questions regarding the cellular device policy, please contact the OCIO at 360-902-0407 or ocio@ofm.wa.gov.

2012-2013 Upcoming Free Audio Conferences

Mark your calendars! The Association of Government Accountants (AGA) - Olympia Chapter, the State Auditor's Office, and the Financial Management Advisory Council (FMAC) are co-sponsoring a series of FREE audio conferences for the 2012-2013 program year.

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|---------------|-----------------------------|
| Oct. 17, 2012 | Improving Internal Controls |
| Nov. 7, 2012 | Data Analytics |
| Apr. 17, 2013 | Internal Controls |
| Jun. 5, 2013 | Performance Management |

All audio conferences are scheduled from 11:00 am to 12:50 pm. Two (2) CPE credits will be offered for each audio conference. For audio conference locations and to register, visit the AGA-Olympia Chapter's website at: www.aga-olympia.org.

New 1099-MISC Reporting Solution

In the previous issue of *The Connection*, we notified you that the Department of Enterprise Services (DES) is moving forward on implementing a 1099-MISC reporting solution. This means that the way agencies process IRS Forms 1099-MISC will be different from previous years:

- The Disbursement Reporting System (DRS) was decommissioned. The 1099-MISC reporting system within AFRS was also decommissioned and will not be used to report 2012 IRS 1099-MISC forms, but will be available for prior year 1099-MISC forms.
- The state purchased a commercial off-the-shelf software, Account Ability, to replace the AFRS 1099-MISC reporting process.
- Agencies that use the statewide solution for producing 1099-MISC forms, including those that previously entered directly into the AFRS 1099-MISC reporting system, will need to use the new Account Ability solution.
- Agencies will use the Web Intelligence tool in Enterprise Reporting to extract payment data as part of the review and reconciliation process.
- Agencies will upload data into the Account Ability software to create the 1099-MISC forms.

The project to replace DRS and the AFRS 1099-MISC reporting process was split into two phases:

- 1. Phase One**, which replaced the DRS functionality, is now in place. The new process provides agencies access to the data needed for 1099-MISC reporting through the Web Intelligence tool in Enterprise Reporting. Because the process involves a download of confidential data, in order to maintain data security, SAAM Subsection 50.10.65 requires agencies to establish an effective system for management and control of the secure information and users to sign a nondisclosure agreement. The download facilitates agency review and reconciliation of data as needed prior to the creation and printing of 1099-MISC forms.
- 2. Phase Two**, which involves IRS TIN matching as well as creating, editing, printing, mailing and filing the 1099-MISC forms, is scheduled to be implemented in October 2012. There are 12 training classes scheduled between October 9 and December 20 to provide information on using the new Account Ability solution. You can register for the classes through the Learning Management System website at: <http://elearn.dop.wa.gov>.

While there is capability within the Account Ability software to produce forms other than 1099-MISC, we are limiting our use in 2012 to 1099-MISC forms only. We may address other forms in future tax years depending on agency interest.

If you have questions, please contact DES Enterprise Technology Services at 360-407-8182 or afrshelpdesk@ofm.wa.gov.

Update on the Time, Leave, and Attendance Program

Work continued over the summer on the Time, Leave, and Attendance (TLA) Program. As noted in prior issues of *The Connection*, TLA is a first step in modernizing the state's financial and administrative systems by providing an enterprise time, leave, and attendance solution.

Activities this summer included:

- Seven different vendors were presented demonstrating in August and September. Staff from many agencies attended the demonstrations and came away excited about the wide range of time collection functionality available.
- In August, all agencies were asked to provide a single point of contact (POC) to work with the TLA Program as it prepares for the release of a Request for Proposals (RFP). The role of the POC is to organize agency resources (HR, payroll, IT) to participate in making policy recommendations and validating business requirements. The POC serves as the conduit to provide agency input to the TLA Program and share communications coming from the program. A listing of agency POCs is on the TLA Program website at: <http://www.des.wa.gov/tla>.
- During September a series of policy discussion forums were held. To prepare for the discussions, a questionnaire highlighting policy considerations related to TLA was distributed to agency POCs. Agencies were invited to attend a discussion forum to express their needs and recommendations and/or complete the questionnaire and submit it to the TLA Program by September 30th.
- Also during September, a series of requirements review discussion forums were initiated. These forums will continue through mid-October. The purpose of the requirements review discussion forums is to give agencies the opportunity to provide feedback on draft requirements identified for the RFP to ensure that they meet agencies' needs.

More information on these and all TLA Program activities is available at: <http://www.des.wa.gov/tla>.

2013 AFRS/CAFR Closing Schedule Now Available Online

The 2013 AFRS/CAFR Closing Schedule is now available on OFM's website at: <http://www.ofm.wa.gov/resources/yearend.asp>. The schedule is a calendar with key dates for the fiscal year 2013 closing process.

