



The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

Federal Cost Allocation & Indirect Cost Rates Training Opportunity

Are you interested in learning more about federal cost allocation and indirect cost rates? OFM will offer two training opportunities in January/February 2015 on this topic as it relates to the new 2 CFR Part 200 "super-circular."

Overview of Federal Cost Allocation & Indirect Cost Rates (2 CFR Part 200) - Presentation of the essential concepts of federal indirect cost recovery under the new 2 CFR Part 200 "super-circular." This training focuses on the basic process and requirements associated with allocating costs to federal awards and utilizing indirect cost rates, including guidance on the allowability of various cost types, acceptable allocation bases and indirect cost rate options.

Practical Application of Federal Cost Allocation & Indirect Cost Rates (2 CFR Part 200) - An interactive session beginning with a presentation of detailed indirect cost allocation and indirect cost rate examples, including the calculation formats that federal cognizant agencies prefer. Attendees are invited to bring specific data or questions relating to their agency's indirect costs to the session to receive assistance from the presenter.

Stay tuned for more information on the dates and times.



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CAFR Progress

As we approached 2014 fiscal year close, we let you all know that our intent this year was to close AFRS to agency entries at the end of Phase 2. Many agencies prepared for this "hard deadline" by reconciling general ledger (GL) accounts prior to June 30 and setting agency internal closing schedules that helped them meet the September 5 deadline. We are excited to tell you that for the first time ever, the vast majority of agencies completed all AFRS entries by Phase 2 close. Also, many agencies completed all of their disclosure forms early!

For many of you, closing by the end of Phase 2 is normal and this year marked no big change, but some large agencies including the Department of Social and Health Services, the Health Care Authority, and the University of Washington made significant strides towards meeting the deadline. We appreciate your efforts on GL reconciliations and closing activities!

We learned a few things during the close process. Up-to-date GL reconciliations were very helpful. Agency internal closing schedules were also beneficial, but would be even more so if the deadline for reconciling interagency receivables/payables was set prior to Phase 2 close. This is one thing we will strongly consider next year.

We'd like to hear from you. What worked well for you that others might find useful? What can we do to help you have a more successful close? Please email your thoughts to OFMAccounting@ofm.wa.gov.

You play a major role in the quality and timeliness of the CAFR and you played it very well this year – thank you!

Cash Management Improvement Act & Treasury State Agreement

The Office of Financial Management (OFM), on behalf of the state, enters into the Treasury State Agreement (TSA) with the U.S. Treasury Department. The purpose of the agreement is to establish draw techniques for financial assistance programs where the state receives \$20 million or more in annual revenue so that these activities are interest neutral for both the state and federal government. The agreement for fiscal year 2015 is available at: http://www.ofm.wa.gov/tsa/TSA_2015.pdf.

Soon, we will begin preparing the Cash Management Improvement Act (CMIA) annual report which is due to the US Treasury Department each year by December 31. This report summarizes actual cash draw activity in relation to the agreed upon techniques. The report will include activity for all federal programs included in the TSA. If you have questions, please contact Bret Brodersen at (360) 725-0229 or bret.brodersen@ofm.wa.gov.

Fiscal Year 2015 SWCAP Agreement

The Fiscal Year 2015 Statewide Cost Allocation Plan (SWCAP) has been approved by the U.S Department of Health and Human Services and is available on our website at [OFM | Statewide Cost Allocation Plan](#). The agreement lists each agency's share of the allowable statewide central service costs not recovered through direct cost distributions to state agencies and institutions. These costs may be recoverable from each agency's federal grants via indirect cost recovery.

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

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, centrally located accounting, budgeting, and payroll services to state agencies. They assist with budgeting, accounts payable, accounts receivable and cash receipting, payroll, and more. Find out more about their program by viewing their [Rate and Service Commitment](#) document. Contact information is available on their [webpage](#).

The DES Human Resource team helps with recruitment, classification, employee relations, performance management, personnel policies and procedures, human resources administration, workforce data analysis, and more. They provide a host of resources to agencies who use their services including an online HR toolkit. Visit their [Small Agency HR Services](#) website for more details and contact information.

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."

TLA: The Latest News

We're counting down to "go" for the Time, Leave and Attendance (TLA) application! The project infrastructure and configuration is scheduled for "lights on" in November, at which point the application will be ready to begin user acceptance testing. The TLA testing team is focusing on end-to-end testing, which is akin to having one's plumbing checked. Testers assess the ability of data to flow "through the plumbing," using sample time sheet data from Ecology that is packaged with information from the state's financial systems (HRMS and AFRS), then into TLA. Testers are also making early attempts to emulate employee entry of time, leave and attendance to make observations on how the application is handling data.

A mini-pilot of TLA has been a recent topic of conversation. Preliminary discovery and analysis was completed; however, a final decision has not been made. The decision will require certainty that the mini-pilot will not impact the "go-live" dates for Ecology or Transportation.

Ecology and Transportation continue their TLA readiness efforts.

- Transportation's Business Requirements Documents for non-marine have been completed, and functional design is under way and expected to be complete in October. The Organizational Change Management (OCM) team is conducting OCM Managers Training across the state. Change agents continue to meet with employees to bring awareness and answer TLA questions. Video demos are being finalized for employees to get a sense of what the system will look like.
- Ecology's TLA teams are working on requirements resolution during configuration, validating reporting requirements, working out details of a single sign-on feature and preparing for user acceptance testing. The OCM team has finished their analysis of business process changes, and is developing action items to ensure end users receive the appropriate level of engagement, communication and training for a successful transition to TLA.

As the buzz about TLA increases, the Department of Enterprise Services continues resource development to support "agency readiness" and "agency onboarding" activities. The majority of an agency's effort will focus on its business processes and how they'll work with, or need to be adjusted for, TLA. Particularly for mid- to large-size agencies, one of the first lessons learned has been that TLA is more than just a time sheet! It's about all the assumptions and processes which support every agency's ability to interact with the time, leave and attendance data for its employees, as well as the systems which rely on that data.

Next step: A survey to build a complexity model. This will contribute to an estimate of the level of effort required for an agency to implement TLA. This model will give the Project and agencies a better understanding of the kinds of activities and, hopefully, a realistic idea of the amount of time agencies should expect to need to prepare prior to onboarding TLA. The survey should be out to agencies no later than early November.

Please check the [TLA website](#) for updated information.

Fall 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
In-Process Report Training	October 29	1:30 – 5:00	3.5 hours
Accounting for Payroll	November 12	8:30 – 4:00	7.5 hours
Payroll Revolving Account Reconciliation	November 18	8:30 – 4:00	7.5 hours
General Ledger Review	December 2	8:00 – 11:30	3.5 hours
Health Insurance Reconciliation	December 4	8:30 – noon	3.5 hours
Internal Control: Payroll	December 9	8:30 – 4:00	7.5 hours
General Ledger Reconciliation: Basics	December 16	8:30 – 12:00	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. All classes are located at the DES building at 1500 Jefferson St SE, and parking is limited so we recommend taking the DASH bus or walking if possible.

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

AFRS Data Security Project

As reported in past issues, we have been working closely with the Department of Enterprise Services (DES) to implement controls on user access to certain vendor data fields that are stored in the AFRS Data Warehouse and accessed through Enterprise Reporting Standard Reports (ER) and Web Intelligence (Webi). Our goal is to increase security by limiting users' access of vendor payment data to only what is required by their business related tasks. This project was deployed September 5th.

The deployment went smoothly with only a few bumps which were quickly resolved. On an ongoing basis, agency administrators should request that access be granted and revoked when (1) users enter and leave agency employment or (2) business needs of users change requiring different access. All required forms can be found on the Data Access page of the OFM Resource site at <http://www.ofm.wa.gov/resources/dataaccess.asp>.

Before requesting access Levels 1 or 2, a user must have a valid business need to see data that he or she is unable to access via another report. And, after the higher level of security is granted, it is important that a user not share data with another user who does not have at least the same level of security access. This would be a direct breach of the Non-Disclosure Agreement that is required to be signed by every user with Levels 1 and 2 security.

As a reminder, a link to the 20 reports affected by the security project can be found at: <http://des.wa.gov/services/IT/EnterpriseReporting/ScheduledMaintenance/Pages/default.aspx>.

Thank you for your cooperation throughout the AFRS data security project. If you have any questions please contact Julie Chiapetta at (360) 725-0191 or julie.chiapetta@ofm.wa.gov.

1099-MISC Reporting

The Department of Enterprise Services (DES) offers a commercial off-the-shelf software, Account Ability, for IRS Form 1099-MISC reporting.

Features of Account Ability include:

- Form 1099-MISC creation
- Editing
- Print and mail outsourcing service
- Bulk Taxpayer Identification Number (TIN) matching
- Electronic reporting (E-File)

Account Ability is populated with data from the “AFRS with TIN” universe within Web Intelligence. This universe is used to verify that data downloaded to Account Ability is accurate. To access the “AFRS with TIN” universe you need to sign a non-disclosure agreement.

For calendar year 2014 reporting, each agency should be making key decisions now:

- Who will access the data?
- When will data analysis begin, if it hasn't already?
- How often will the data be analyzed?

At the time of this writing, DES is offering IRS 1099-MISC Reporting classes on the following dates:

- October 15
- October 29
- November 13
- December 16

The classes are four hours long. To view the class description and sign up, please go to the [Learning Management System](#) site.

For more information, including FAQs, how to access to the 1099 download, and training materials, please visit DES's [1099-MISC Reporting](#) site.

CAMS Universe

Following up on responses to a survey distributed to the Capital Asset Management System (CAMS) users last spring, Statewide Accounting has been working with the Department of Enterprise Services (DES) to create a CAMS universe that would offer export functionality and ad-hoc reporting capability through the Web Intelligence application. Our goal is to improve capital asset reporting for CAMS users.

The project has taken a bit longer than initially planned because, during our efforts to create the universe, we identified data in CAMS that needed to be cleansed. As a result, the project expanded to include cleansing CAMS data and adding edits to CAMS to prevent similar errors from happening in the future. At this point, we have cleansed the data, incorporated the new edits in CAMS, and “stood-up” the universe in a Quality Assurance environment. We invited a pilot group of agencies to a combined user acceptance exercise and training trial run. The pilot agencies provided valuable feedback regarding the universe and training approach.

Once we have incorporated the feedback we received, training will be offered by DES to all CAMS users. Our current target for the rollout of the CAMS universe is later this year.

If you have questions, please contact Don Charlton at (360) 725-0200 or donald.charlton@ofm.wa.gov.

Keeping Up-To-Date With SAAM

The State Administrative and Accounting Manual (SAAM) was updated recently to reflect changes in federal reporting, vendor payment data security and state travel policies.

Issued on July 17 with an effective date of June 1, 2014, OFM Directive 14A-04 updated federal assistance clusters and programs for fiscal year 2014 federal reporting reflecting the changes in the OMB A-133 Compliance Supplement, Appendix V.

Effective September 5, 2014, OFM Directive 14A-05 added security restrictions for access to vendor payment related data, added a new capital asset code for multifunction devices, and made a few account and general ledger coding updates.

Effective October 1, 2014, OFM Directive 14A-06 updated reimbursement rates for lodging and meals to align with changes made by the U.S. General Services Administration. These changes are reflected on the state Per Diem Rates map which can be found on OFM's Travel Resources website at <http://ofm.wa.gov/resources/travel.asp>.

For a complete list of key changes in the most recent SAAM updates, refer to the OFM Directives <http://ofm.wa.gov/policy/directives.asp>. All SAAM policies, directives, technical corrections, and superseded policies are available online at: <http://www.ofm.wa.gov/policy/default.asp>.

If you have questions regarding SAAM policy content and interpretation, please contact the OFM Accounting Consultant assigned to your agency.

