



Fall 2015

The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

CAFR Progress

As we approached 2015 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 4 deadline. We are excited to tell you that almost all agencies completed all AFRS entries by Phase 2 close. Also, many agencies completed all of their disclosure forms early!

We learned last year that year end close was hampered by the lack of timely interagency receivable/payable balancing. So this year we set Phase 1B as the balancing due date, and it worked well from our perspective. We’ve heard positive comments from agencies as well. We’d like to hear from you. What worked well for you that others might find helpful? What can we do to help you have a more successful close? Please share your suggestions with your assigned OFM Accounting Consultant.

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



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OFM Accounting has a new Assistant Director!

We are excited to welcome Brian Tinney as the new Assistant Director for OFM’s Accounting Division. Brian is well positioned to be successful in his new role. He has a Bachelor of Arts in Economics from Washington State University – Go Cougs! – as well as course work in Accounting at Eastern Washington University.

He started with the Department of Corrections where he worked for 20 years, beginning as a Fiscal Technician and progressively working his way up. He served at many different levels in the Fiscal Analyst series then as Regional Business Manager, then the Comptroller, and finally serving as the Interim Assistant Secretary for Administrative Operations. Brian’s familiarity with the realities of agency operations is only one of the strengths he brings to OFM.

Brian learned a great deal during his tenure at the Department of Corrections. He learned the importance of providing good customer service. He values listening to others and providing timely accurate and honest answers. Brian has also learned the value of technology and leveraging it to make improvements and solve problems.

Brian is enthusiastic as he begins his new role at OFM. He’ll be working side-by-side for the next few months with current Assistant Director Wendy Jarrett who plans to retire early next spring. He will be getting to know staff at OFM and become acquainted with the duties of the Accounting Division. We’ll be including Brian in meetings with agency staff so that you can meet him as well. Of course you are welcome to stop by Capitol Court and meet Brian anytime.

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

TEMS Review Continues

In August, Statewide Accounting met with a Travel and Expense Management System (TEMS) user group to review the status of the system and outstanding requests for enhancements. The enhancement requests were discussed to ensure that there was a shared understanding of the underlying issue and the system modification that is required to address it.

There are over 30 outstanding requests ranging from implementing the remaining phases of the TEMS project (only the first phase was implemented) to minor adjustments to existing functionality.

Currently Statewide Accounting and Consolidated Technology Services staff are developing resource estimates for the requests. Once estimates are available, another TEMS user group meeting will be convened to discuss prioritization. The recommendations of the TEMS user group will be considered as OFM moves forward with work requests on the TEMS application as resources become available.

Please contact Bret Brodersen at (360) 725-0229 or bret.brodersen@ofm.wa.gov if you have questions.

The 2015-2017 Plan for One Washington

The activities for One Washington in the 2015-2017 biennium involve planning and preparation work in anticipation of a future replacement of the core financial systems. The first quarter of the fiscal year was focused on preparing for several major activities that are just getting underway:

Developing a new Chart of Accounts for Washington

A Request for Proposals (RFP) was issued in September for a consultant to assist the state in creating a new chart of accounts for the future core financial system. Work is planned to begin this winter. The chart of accounts is an important foundation for any enterprise financial system and we do not simply want to replicate the current chart of accounts, but rather improve our ability to determine the financial performance, outcomes and health of the state. The outcome of this strategic work will be a new chart of accounts that can be implemented in any of the major Enterprise Resource Planning Systems (ERPs), a description of the related benefits of the new structure, and recommended next steps.

Enterprise LEAN Procurement Project

One Washington and Results Washington are partnering to develop high-level mapping of the procurement business process this fall. We are inviting a cross section of agencies to participate representing different levels of operational complexity and organization size. The maps will improve our understanding of the diversity of agency purchasing and provide insight into current systems, roles, and activities. This information will be an input into the development of a future RFP for an enterprise procurement system. In addition to learning about the current process, this project will also identify business process improvements that can be made prior to the implementation of a new ERP system resulting in immediate benefits to the state.

Other plans include replacing some key budget systems to improve data sharing between the Office of Financial Management and the Legislature; establishing project and data governance; and development of an RFP for the next phase of the system replacement effort.

Recent SAAM Updates

The *State Administrative and Accounting Manual* (SAAM) was updated recently to reflect changes in state travel, transportation, and other accounting policies.

Issued on July 13, 2015, with an **effective date of June 1, 2015**, **OFM Directive 15A-05** reflected modifications to federal audit clusters and programs for fiscal year 2015 federal reporting signifying the changes in the OMB A-133 *Compliance Supplement*.

Issued on September 14, 2015, **OFM Directive 15A-06** reflected account changes **effective June 1, 2015**. This directive also reflected the 17 new accounts created in the 2015 legislation, and other account and general ledger changes, updated GAAP hierarchy policy per GASB Statement No. 75, and central service charge coding changes **effective July 1, 2015**.

Issued on September 21, 2015, with an **effective date of October 1, 2015**, **OFM Directive 15A-07** updated reimbursement rates for lodging and meals to align with changes made by the U.S. General Services Administration, and also added language to allow reimbursement of actual costs for use of privately-owned vessels under certain circumstances. 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>.

OFM Directive 15A-07 also eliminated Chapter 12 Transportation policy **effective October 9, 2015**. Transportation policies are now under the authority of the Department of Enterprise Services (DES) per Chapter 43.19 RCW.

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

SAAM Chapter 20 – An Update on Coming Attractions

In the Summer 2015 *Connection*, we told you about planned changes to SAAM Chapter 20 Internal Control and Auditing in response to changes in the internal control arena. We also shared the multi-step revision process which included feedback from a stakeholder group. We initially set October 1, 2015, as the target publication date, but the process to vet the proposed new policy is taking longer than we anticipated and we will not meet that date. While we wanted to meet the original date, the good thing is we had very engaged stakeholders in the process and the final policy will be much better because of their work.

There are two other influences affecting the publication date. First, the internal audit statute changed this past session. Since internal auditing is part of Chapter 20, we need to determine whether the best course of action is to issue both the internal control and internal auditing policies at the same time, or issue the internal control policy before the internal audit policy. Second, OFM's new Assistant Director Brian Tinney just started September 16. Along with those in the OFM Director's office, we want Brian to have a chance to get familiar with the issues and weigh in on the options.

Because of the above factors, we do not have a revised publication date. Please watch the next *Connection* for further information. In the meantime if you have any questions, contact Kim Thompson at (360) 725-0224 or kim.thompson@ofm.wa.gov.

1099-MISC Reporting

Again this year, Consolidated Technology Services (CTS) is offering 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.

For calendar year 2015 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, CTS is offering IRS 1099-MISC Reporting classes on the following dates:

- October 14
- October 28
- November 18
- December 9
- December 22

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 CTS's [1099-MISC Reporting](#) site.

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
Introduction to GAAP in WA State	October 29	8:30 – 4:00	7.5 hours
In-Process Report Training	November 2	1:15 – 4:45	3.5 hours
Accounting for Payroll	November 6	8:30 – 4:00	7.5 hours
General Ledger Reconciliation: Basics	November 16	8:30 – noon	3.5 hours
Compliance: Travel Policies	November 24	8:30 – 4:30	8.0 hours
Payroll Revolving Account Reconciliation	November 30	8:30 – 3:00	6.5 hours
Health Insurance Reconciliation	December 11	1:15 – 4:45	3.5 hours
Internal Control: Payroll	December 14	8:00 – 12:30	4.5 hours
General Ledger Review	December 16	8:00 – 11:30	3.5 hours
In-Process Report Training	December 22	8:30 – noon	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 Department of Enterprise Services (DES) building at 1500 Jefferson St SE or Capitol Court at 1110 Capitol Way S. Parking is limited so we recommend taking the DASH bus or walking if possible.

For a listing of accounting classes taught by OFM and DES, please visit [Classes for accounting staff offered by OFM & DES](#). If there is a class you would like to take that is not currently offered, please visit the [Get Training](#) webpage for an email link and additional information. We will add you to a waiting list. The webpage includes other helpful information as well. Check it out!

Additionally, the Association of Government Accountants (AGA) and Financial Management Advisory Council (FMAC) are sponsoring a number of audio conferences. The schedule is posted on the [Olympia AGA](#) and [FMAC](#) websites.

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