



The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

Statewide Accounting Has Several New Faces

Laura Lopez comes to Statewide Accounting from the Department of Enterprise Services (DES), Small Agency Financial Services. Laura has several years of operational experience at Administrative Office of the Courts and DES providing innovative solutions and excellent customer service.

Another new face is Marina Yee who comes to Statewide Accounting from the State Auditor's Office where she worked on the state audit team. Marina has over ten years of experience with small to large agency accountability audits as well as working on Medicaid, Single Audit, and the CAFR audit each year.

Finally, our last new face is Julie Rupe whose prior work at McCleary School District and the State Auditor's Office provides a great mix of operational and auditing experience. These three consultants will soon be out meeting with their newly assigned agencies. Please check the OFM Accounting Consultant list at <http://ofm.wa.gov/accounting/swa/swacontactsbyagency.asp> for up-to-date consultant assignments, and please welcome our newest additions!



Are you ready?

As we have previously shared, in response to the financial community's interest in more timely financial information, we initiated our "faster CAFR" initiative a couple of years ago. Thanks to all of you, we have been able to issue our CAFR earlier each year. Last year, we met our goal and completed the CAFR on October 30, our earliest ever.

This year we have set a goal of October 28, and once again, everyone must do their part in a timely fashion. While close is a busy time, there are things you can do to manage the stress level. Don't wait until year end. If you haven't already, start **now** –

- Reconciling your general ledger balances and posting appropriate adjusting entries.
- Reviewing your closing activities for opportunities to Lean processes.
- Reviewing areas that caused you problems last year and developing solutions.
- Taking year-end training as appropriate. Setting internal due dates and assigning tasks.
- Communicating deadlines both internally (those who supply needed information) and externally (vendors, contractors).
- Preparing to issue your interagency billing by the July 22 due date. Timeliness is critical.
- Tackling those interagency balances early on as interagency receivables and payables must be in balance by August 19. Verifying that needed CFDA numbers are available in AFRS for federal reporting.
- Performing administering agency duties.

We appreciate your past efforts to meet the CAFR deadlines and look forward to another successful close. For additional information, please contact your assigned OFM Accounting Consultant.

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Another Fiscal Year is Coming to a Close

Hard as it is to believe, fiscal year 2016 year-end close is just around the corner. Below are the important fiscal year-end dates to keep in mind. Note the Phase 1B date for interagency receivable/payable balancing. For a small calendar to print out, go to http://ofm.wa.gov/resources/yearend/YE16_calendar.pdf.

Due Date	Reporting Item
June 30	Last day of the fiscal year; cash cutoff (refer to OST's closing schedule memo)
July 15	Disclosure Form application opens
July 22	Mail out interagency billings (whether based on actuals or estimates)
July 29	Phase 1 Close Agency accruals recorded. Prioritize interagency receivable/payable reconciliations as many agencies have an early internal close date.
August 19	Phase 1B Close <ul style="list-style-type: none"> • Certain state disclosure forms are due • Interagency receivable/payable balancing is due • Pollution remediation site status report is due
September 2	Phase 2 Close <ul style="list-style-type: none"> • Agency adjustments completed • Remaining State and Federal Disclosure Forms are due (not including certifications) • Disclosure Form application closes <p>All agency adjusting entries made after Phase 2 require OFM approval.</p>
September 14	State Financial Disclosure Certification form, including attachments, is due
January 31, 2017	Federal Assistance Certification form is due

If your agency cannot complete some or all of the Phase 1B disclosure forms and tasks by August 19, you will need to request an extension by sending a memo to your assigned OFM Accounting Consultant. The memo should list the items for which an extension is needed and the date by which your agency can complete the forms and tasks. The requested date can be no later than the end of Phase 2, September 2, 2016. Remember that completion of the disclosure forms requires all AFRS entries related to those forms to also be complete.

Chapters 90, State Reporting, and 95, Federal Assistance Reporting, in the *State Administrative and Accounting Manual* are updated every year to reflect changes in reporting requirements. The Chapter 90 update will be issued in May and Chapter 95 will be updated following the issuance of the Office of Management and Budget's Circular A-133 Compliance Supplement. For additional information, please contact your assigned OFM Accounting Consultant.

Fiscal Year-end Training Classes Offered

Classes on both state and federal year-end closing procedures will be held May - July. For those people with year-end closing experience, we offer two short update classes that focus on current year changes and key items that we want to emphasize.

Class Name	Dates	Times	Duration
OFM - Fiscal Year-end Closing (State) – Update	June 7	10:30 – 12:00	1.5 hours
	June 14	10:30 – 12:00	
	June 23	10:30 – 12:00	
OFM - Fiscal Year-end Closing (Federal) – Update	June 7	9:00 – 10:00	1.5 hours
	June 14	9:00 – 10:00	
	June 23	9:00 – 10:00	

A shortened version of the state and federal fiscal year-end closing update classes will be presented at the Financial Management Advisory Council (FMAC) meeting on May 26. For a schedule of FMAC meetings, visit OFM’s website at <http://www.ofm.wa.gov/accounting/fmac.asp>.

For people new to year-end closing, we also offer two half-day (4 hour) workshops. One workshop focuses on expenditures and payables; the other workshop focuses on revenues, reconciliations, and Phase 2 adjustments. These workshops are hands-on and include exercises. Space is limited in these workshops, so we ask that you read the detailed class descriptions and coordinate within your office so that each agency sends the appropriate staff to each class.

Class Name	Dates	Time	Duration
OFM - Fiscal Year-end Expenditures and Payables Workshop	June 1	1:00 – 5:00	4 hours
	June 8	8:00 – 12:00	
	June 23	1:00 – 5:00	
OFM - Fiscal Year-end Revenues, Reconciliations, & Phase 2 Adjustments Workshop	June 1	8:00 – 12:00	4 hours
	June 8	1:00 – 5:00	
	June 23	8:00 – 12:00	

We’re also offering a class on understanding and completing the state disclosure forms. It is recommended that staff who will actually be completing the state disclosure forms attend this class. This class does not cover federal disclosure forms; federal forms are discussed in the Fiscal Year-end Closing (Federal) – Update class.

Class Name	Dates	Time	Duration
OFM - State Disclosure Forms	July 26	8:00 – 11:00	3 hours
	August 2	8:00 – 11:00	

To view class descriptions and register, go to the [Learning Management System](#) website. If you register but cannot attend, please cancel to make room for someone on the wait list.

Year-end classes will be held at the DES building at 1500 Jefferson St SE. Parking is limited so we recommend taking the DASH bus or walking if possible.

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

Reconciliation Reminder

You may recall that reconciling General Ledger (GL) balances has been a hot topic in recent years. Many agencies already had effective processes and others started putting them into place. We hope the momentum has carried over into the current fiscal year and that you are keeping your reconciliations up to date. Reconciling on a regular basis, rather than only at fiscal year-end, helps ensure your AFRS balances are correct, allows time to make necessary corrections in the same fiscal period, and spreads the workload more evenly over the entire year.

Here are some observations about reconciliations:

- ✓ Both the reconciliation preparer and the reviewer need to have some basic knowledge about the activity being reconciled. They need to understand the rules and policies that govern the activity, why they are reconciling, what they are reconciling to, and what should be used to support the balance.
- ✓ Knowing what makes up a balance is only a small part of the reconciliation process. The real work is figuring out why the balances are there, how they will be cleared, who is responsible, and when it will be done. Then, you must monitor to ensure the cleanup happens!
- ✓ Having a standard process and using standard templates seem to work well for many agencies. Our Resources website (<http://ofm.wa.gov/resources/GLreconciliations.asp>) features general information, a summary of SAAM required reconciliations, and useful information we collected from agencies such as sample assignment lists, policies and procedures, and reconciliation templates.
- ✓ Two accounts not to be overlooked are the Suspense Account (01P) and the State Payroll Revolving Account (035). If general ledger balances in these two accounts go unreconciled for any period of time, it can be very, very time consuming to catch up and may result in belated claims, corrected payroll tax returns, and/or catch up billings from Health Care Authority and Department of Retirement Systems.

Remember that every year your agency's Director and Chief Financial Officer must attest on the State Disclosure Certification Form that, among other things, your AFRS data is accurate and complete, balances are reconciled, and your agency has a system of internal controls in place. In addition, we are relying on the accuracy of your data to produce an accurate CAFR.

For your balances to be considered reconciled, the reconciliation process has to be complete. That means that all reconciling items identified have been researched and appropriately resolved including recorded in AFRS, if applicable.

As we begin the last quarter of this fiscal year, it's a good time to assess where your agency is in the reconciliation process. As a reminder, a number of reconciliation training classes are offered this spring, refer to page 6 for details. Be prepared to share your agency's status with your OFM Accounting Consultant at your year-end meeting, because we will ask about it!

Agency Fund Balance Classification Responsibilities

In SAAM Subsection 90.20.62 Fund Balance, we state:

Agencies are responsible for reviewing the fund balance General Ledger (GL) codes for 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. 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.

So what does this mean for you? At year-end, agencies should review fund balance amounts for each account to which they post activity and, if needed, record a JV entry to appropriately classify the fund balance.

For example, assume that the closing GL code for one of the accounts that you use is within the committed category but you know that during the year a legal settlement was deposited to the account that the court restricted for a specific purpose. In order to properly reflect this restriction, you need to reclassify the fund balance in the account related to the settlement from a committed GL code to a restricted GL code. An illustrative entry to record a reclassification of a fund balance GL code can be found in Subsection 90.30.90 Fund Balance Reclassification.

For more information, refer to

- Subsection 80.30.65 for the state's fund balance policy which includes definitions of fund balance classifications of nonspendable, restricted, committed, assigned, and unassigned,
- Subsection 75.30.50 for the closing fund balance GL code for each account, and
- Subsection 75.40.20 for a description of these GL codes.

If you have questions regarding fund balance classification, contact your assigned OFM Accounting Consultant.

Internal Control Policy Update

Working with a stakeholder group, Statewide Accounting has been drafting a revision to the internal control policies in SAAM Chapter 20. The revision was prompted by recent activity in the internal control arena by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the U.S. Government Accountability Office (GAO).

We originally planned to use the COSO publication as the foundation for the SAAM internal control policies and received copyright permission from COSO to do so. COSO's work is viewed as the gold standard for internal control. However, as we were making changes, we found the GAO's [Green Book](#) to be more applicable to our state environment.

The Green Book (the formal title is *Standards for Internal Control in the Federal Government*) is issued by the Comptroller General in the GAO for the federal government community. The GAO used COSO as their starting point so it syncs up in all substantive matters. It is more user friendly than the COSO publication and the GAO offers it to other governments to adapt and adopt for their own use. As an added bonus, it is available electronically in its entirety at no charge.

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Spring 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. For fiscal year-end training, refer to page 3.

Class Name	Dates	Times	Duration
Accounting for Payroll	April 8	8:30 – 4:00	7.5 hours
Payroll Revolving Account Reconciliation	April 13	8:30 – 3:00	6.5 hours
In-Process Report Training	April 15 May 16 June 1	1:00 – 4:30 1:15 – 4:45 1:15 – 4:45	3.5 hours
General Ledger Review	April 20	8:00 – 11:00	3 hours
Health Insurance Reconciliation	April 22	1:15 – 4:45	3.5 hours
Internal Control: Payroll	April 27	8:00 – 12:00	4.0 hours
GL Reconciliation: Basics	May 4	8:30 – 12:00	3.5 hours
Compliance: Travel Policies	May 6	8:30 – 4:00	7.5 hours
Accounting for Capital Assets	June 22	1:00 – 4:30	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.

Many of our classes are held at our Capitol Court building now, so be sure to check the class location. Parking is limited so we recommend taking the DASH bus or walking if possible.

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.

Chart of Accounts Project Update

As we mentioned in the January 2016 Connection, One Washington has undertaken a project to redesign the Chart of Accounts (COA) as one of the pre-work activities for a new state core financial accounting system. Accenture was selected as the consulting firm to help guide the state through the project.

As part of the first phase of the project, a survey was sent out to a cross section of state agencies. The survey gathered information about agency use of the current chart of accounts (both statewide and agency defined elements) and existing reporting functionality. Follow-up interviews were conducted to delve more deeply into the survey responses. Interviews were also conducted with the Office of the State Auditor and the Legislative Evaluation and Accountability Program.

In mid-February, agencies participating in the survey were invited to an Information Strategy Lab to identify “burning questions” related to finance that participants would like to be able to answer and the types of information necessary to answer such questions effectively. The information collected through the survey, interviews, and strategy lab has informed the determination of which data elements to include in the redesigned chart of accounts.

In mid-March, Accenture led a workshop to educate state financial managers on the “art of the possible” with regard to modern Enterprise Resource Planning (ERP) systems, share COA design leading practices, and present high-level COA design taxonomies. The COA taxonomies reviewed covered most elements found in the state’s existing COA, such as agency, account, expenditure authority, revenue sources, expense objects, programs, and projects. Taxonomies that indicated potential new COA elements included location and outcome.

Best practices for modern COA design that were reviewed included:

- Adopting a single, statewide COA standardizing coding element definitions and usage ensures consistency of data.
- Building flexibility into the COA coding scheme to allow for growth and flexibility over time.
- Maintaining a lean COA hierarchy going down only to the lowest level of detail needed to make business decisions.
- Eliminating from coding elements “miscellaneous” categories as they encourage inconsistent use of the chart of accounts.
- Providing for optional coding elements to allow agencies to meet their unique needs.
- Ensuring no coding element, including optional ones, should have more than one definition or transactional use.
- Centralizing management of the COA to assure consistency in use and application.
- Instituting a formal COA governance structure.

Accenture is now at work drafting a “strawman” COA that will be shared at another workshop for state participants the second week of April. After that the “strawman” COA will be shared with at least four major vendors providing Enterprise Resource Planning systems to ensure it will work in conjunction with their software products. Vendor feedback will be gathered and incorporated into the final COA design to be completed in May.

Internal Control Professionals Group

Many state government work groups meet regularly to network, discuss emergent issues, and provide training opportunities. These groups include professionals such as Internal Auditors, Chief Information Officers, and Lean Practitioners. Until recently internal control professionals didn't have such a group, but that all changed in December 2015 when internal control professionals from six state agencies met and formed the Internal Control Professionals Group (ICPG).

The ICPG is a community of internal control professionals across both small and large state agencies who are motivated to ensure their agencies have an internal control program in place to help ensure their organizations meet objectives in operational effectiveness and efficiency, reliable reporting, and compliance with laws, regulations, and policies. Currently, the ICPG community is comprised of eleven state agencies, which includes the internal control officers and others involved with internal control in the agency, the Office of Financial Management, and the State Auditor's Office. This well-rounded team of professionals will not only allow ICPG members to network and discuss emergent issues with like professionals, but will also allow them to gain an understanding of expectations, and the why and the how to get the results desired for their agencies.

The ICPG meets the third Tuesday of each month at the Washington State Department of Transportation's (WSDOT) headquarters building, located at 310 Maple Park Avenue SE, Olympia (East Capital Campus), from noon to 1:00 pm. Meetings to date have touched on the topics of internal control policy and the annual requirement for reporting to the agency's head: the assurance letter. Coming meetings will address developing internal control plans, risk assessments, and how to keep the assessments relevant and meaningful. OFM is engaging this group to provide feedback on internal control policies and assist in the development of internal control resources for agencies to use.

If you are interested in attending the ICPG meetings, contact Jesse Daniels, Internal Control Manager - Washington State Department of Transportation, at danielje@wsdot.wa.gov or (360) 705-7314 and he can get you added to the group.

Internal Control Policy Update - *continued from page 5*

The draft Chapter 20 internal control policies, like both the Green Book and COSO, include the five internal control framework components (control environment, risk assessment, control activities, information and communication, and monitoring) and the 17 principles which further elaborate on the respective component. However, we didn't feel that either COSO or the Green Book was always an exact fit for the state given the diverse nature of state agencies in size, organizational structure, and line of business. Consequently, the draft policies are general in nature to allow each agency to tailor its internal control approach to address its operating environment.

There is no internal control check list (and never will be one) that you can run through once a year and call it good. So, our next efforts will be to collect items for our resource site and develop training to assist agencies in applying these general policies. We expect the policy, resource site, and training to be finalized by the end of this calendar year.

Please contact Don Charlton at (360) 725-0200 or don.charlton@ofm.wa.gov with questions or comments.

2015 Single Audit

The 2015 Single Audit Report is now available online at <http://www.ofm.wa.gov/singleaudit/default.asp>. The Single Audit must be filed with the federal clearinghouse within nine months of the fiscal year end. While it was a scramble at the end, we were able to meet the filing deadline. We thank all agencies who contributed to making this possible.

A few facts about this year's Single Audit:

	2015	2014	2013
Federal Assistance Expenditures	\$ 17 Billion	\$ 15.7 Billion	\$ 14.9 Billion
Questioned Costs	\$ 28.7 Million	\$ 3.9 Million	\$ 4.3 Million
Total number of findings	56	55	45
Subrecipient Monitoring findings	3	3	4
Activities Allowed/Unallowed, Allowable Costs/Costs Principle	21	20	18
Period of Availability	3	1	0

Of the 56 findings this year, 21 were related to Activities Allowed/Unallowed, Allowable Costs/Cost Principles. In view of the continuing trend of non-compliance in this area, we want to emphasize that maintaining adequate administrative and accounting controls are necessary to ensure compliance with the allowable cost requirements of each grant as noted in the Compliance Supplement.

The trend in subrecipient monitoring findings continues to be positive. Great effort on that front!

With respect to Period of Availability, while there are only 3 findings, 94% of the questioned costs relate to this area. Agencies need to ensure that a federal award is only charged for allowable costs incurred either: (a) during the period of performance; or (b) prior to the date of the award if specifically allowed by the Federal awarding agency or pass-through entity. And remember, all obligations are to be liquidated against the appropriate award period.

We want to remind agencies about the Uniform Guidance's new streamlined administrative requirements and cost principles which consolidated the previous guidance to improve both the clarity and accessibility. This final guidance is located in Title 2 of the Code of Federal Regulations. More information is available at: http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

If you have any questions or comments, please contact Sara Rupe at (360) 725-0189 or sara.rupe@ofm.wa.gov.

New: Ability to Correct Payroll Errors Sooner

A new process has been created for accounting data that is interfaced to AFRS from HRMS. Instead of holding transactions and editing them overnight, AFRS will edit the transactions when received (on Day 4 of the payroll processing cycle) and transactions in error will be available on the AFRS Batch Header Summary (IN.3) screen for correction that day. Transactions that are corrected and released on Day 4 will process that night along with the payroll transactions that had no errors. Any errors not corrected will continue to show on the IN.3 screen until corrected and released.

Agencies requested this change so payroll transactions can be corrected sooner, giving them more time for internal systems processing. This change will be effective with the April 10, 2016, payroll process.

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

Cash Management

The federal government enacted the Cash Management Improvement Act (CMIA) of 1990 to ensure greater efficiency, effectiveness, and equity in the exchange of funds between the federal government and the states, territories, and the District of Columbia. The CMIA regulations require the calculation of an interest liability due to the federal government when the state receives federal funds in advance of disbursement to vendors, subrecipients, or program participants.

The state of Washington has a number of federal assistance programs that are governed by the CMIA through inclusion in our Treasury State Agreement (TSA). The TSA is renewed annually and specifies the techniques used by state agencies to draw grant funds from federal agencies (<http://www.ofm.wa.gov/tsa/default.asp>). The draw techniques are intended to be interest neutral.

Following the close of each fiscal year, the state must report to the federal government actual experience related to the agreed upon draw techniques. If federal funds weren't available to draw in accordance with the draw technique, then the federal government owes the state interest. If the state draws too early, then the state owes the federal government interest. In December, we submitted the annual report for fiscal year 2015 and requested a federal interest payment of \$598. The minimal amount requested indicates that the TSA is working as designed.

Currently, OFM is working with agencies to gather information for the state fiscal year 2017 TSA for the federal programs covered.

Agencies with federal grants that are not covered by the TSA are still responsible to comply with CMIA and should review current methods used to draw federal funds and ensure that they incorporate good cash management.

If you have questions concerning cash management related to federal assistance programs, please contact Don Charlton at (360) 725-0200 or don.charlton@ofm.wa.gov.

Changes to W-2/1099 Filing

On December 18, 2015, President Obama signed into law the Consolidated Appropriations Act, 2016 (Pub. L., No. 114-113), which included changes to IRS Forms W-2 and 1099 filing requirements. Changes include:

IRS Form W-2 filing deadline

Beginning with Forms W-2 for 2016 (to be filed in 2017), the deadline to file with the Social Security Administration (SSA) is January 31. In the past, this deadline was the end of March. Good news for agencies that use the Human Resource Management System (HRMS): HRMS already files with the SSA in January, which means that there should not be a change related to year-end processing for payroll offices.

IRS Form 1099-MISC filing deadline

The filing deadline for Forms 1099-MISC has also been moved up. For nonemployee compensation reported in Box 7, the deadline to file will also be January 31. For 2015 and prior years, this deadline was the end of March. This will be a change to current process. For agencies using the Account Ability application offered by Consolidated Technology Services, the file is currently sent to the IRS in March. What does this mean? Agencies will most likely need to finalize their reporting data sooner. What should you do? Reconcile, reconcile, reconcile! Don't wait until year-end to find problems. Begin working now and throughout the year to ensure that you have good data.

Safe harbor for de minimis errors on information returns and payee statements

For the first time, Forms W-2 and 1099 with incorrect dollar amounts may fall under a safe harbor for certain de minimis errors. The safe harbor applies if no single amount in error differs from the correct amount by more than \$100 and no single amount reported for tax withheld differs from the correct amount by more than \$25. If the safe harbor applies, you will not have to correct the form and it will be treated as having been filed with all of the correct required information. However, the safe harbor does not apply if the payee elects to have you issue a corrected Form W-2 or 1099. In that case, a corrected form must be filed with the corrected payee statement furnished to the recipient. This change is effective for new filings beginning January 2016. The safe harbor does not apply for corrections to 2015 and prior. Watch for further guidance from the IRS.

Transit benefit increased retroactively to January 1, 2015

The monthly mass transit and vanpool benefit exclusion increased from \$130 to \$250 per month for 2015. IRS code has been amended to say that the exclusions for both parking and transit benefits will be equal. For 2016, the amounts are \$255 each.

For more information, refer to the following IRS resources:

[Forms W-2/W-3 Instructions](#)

[1099 Instructions](#)

[Publication 15-B - Employer's Guide to Fringe Benefits](#)

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

AFRS Remittance Advices: History and Upcoming Changes

If you're up for a bit of nostalgia, read on. If not, just skip to the last few paragraphs and read about the upcoming changes.

Historically, remittance advices (RAs) for AFRS payments have printed out of AFRS. For those who have been around awhile, you might remember back to the days when agencies received three copies of the 3½ x 8½ inch remittance advice, whether they wanted them all or not. That changed when the RAs were added to the AFRS report request screen and agencies were given control over their own RAs. Agencies could decide how many copies and which sort orders they wanted based on their individual needs.

The next change came when inserted warrants and ACH payments were introduced. For these types of payments, AFRS generated statewide remittance advices and agencies no longer needed the copy of their remittance advice that was mailed to the vendor. At that point, another version of the remittance advice was made available – called the vendor copy. It was only generated for warrants that are returned to agencies for mailing.

In the early 2000's, interagency payments were introduced and they featured email remittance advices. Email remittance advices were also added as an option for ACH payments to statewide payees around the same time. You may have read in another article in this newsletter that email remittance advices will soon be available for employee ACH payments for travel and other reimbursements.

Other changes to remittance advices were made over the years to display additional information fields as well as agency-specific batch messages and return addresses. The remittance advice was also converted to a full letter size report since the smaller form was actually more costly. While there have been many improvements over the years, perhaps the biggest change for users is transitioning the remittance advices from the mainframe (AFRS) to Enterprise Reporting (ER). The transition began almost two years ago and is planned to be completed this summer.

One of the biggest benefits of moving the RAs to ER (where the daily payment registers are also available) is that the information is retained and available for reprinting as needed: by date or range of dates, by batch type, by payment number, or by vendor name or number. Additional sort orders that mirror the mainframe RAs were recently added.

The plan is to transition agencies to ER and turn off the mainframe RAs, with the exception of the vendor copy, sometime this summer. The vendor copy is report number **DWP827V** and agencies that make any payments by regular warrant should keep this report active. This report only generates RAs for the warrants agencies have to mail themselves. Since this report is intended to be mailed, DES Print Services now trims the pin-feed edges of this report.

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New: Employee Email Remittance Advices

Starting this spring, AFRS will begin sending **email** remittance advices to employees who are paid electronically (i.e., via ACH) for travel and other non-payroll reimbursements. The email address used will be the email on file in HRMS in the Employee Self Service (ESS) portal.

If an email address is not available in ESS or is over 40 characters long, a hard copy remittance advice will be sent to the employee as is done currently.

Remember that, in order for an employee to receive travel and other reimbursements via ACH from AFRS, the employee must be paid electronically by HRMS and the employee vendor record on the AFRS Agency Vendor Maintenance (VE.2) screen must contain the following:

- The “Employee EFT” field must be ‘Y’ (Yes),
- The “Vendor Type” must be ‘1’ (Employee), and
- The employee’s social security number (SSN) must be on the vendor record in the “TIN” field. (The SSN is the link to reading the HRMS file for both the banking information and the email address.)

To participate in this new AFRS feature, each agency must provide an email address to which undeliverable emails to their respective employees will be routed. When an undeliverable email is received, the paying agency is responsible to get the payment information to its employee and to work with the employee to get his/her ESS email address updated.

As long as the agency email for undeliverables is established, the employee email remittance advice feature will be automatic for employee payments when the criteria listed above is met.

Look for WaTech ListServ messages for instructions about setting up the agency email and the implementation date of this new feature.

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

AFRS Remittance Advices: History and Upcoming Changes - *continued from page 12*

All other mainframe RAs (see list below) will eventually need to be deleted from the AFRS report request screen. This is a good time for agencies to stop and think about whether they actually need to print and file remittance advices for all payments, even if that’s the way it’s always been done. How often are the RAs referred to after the payment is made? Does the frequency justify the cost to print and file RAs? The answer to this will vary from agency to agency. If you decide to continue printing and filing RAs, you can go to the ER Daily Reports folder and schedule the desired “Vendor Remittance Advice” report to run on a daily basis.

To replace AFRS REPORT #	Select Enterprise Reporting RA with SORT ORDER
DWP82701	Payment Number
DWP82702	Batch and Vendor Number
DWP82703	Batch and Vendor Name

Consider making this change now before the mainframe RAs are turned off this summer. WaTech will send ListServ messages about this change as the cutoff date approaches. In the meantime, if you need assistance with scheduling the ER report or updating the AFRS report request screen, contact the WaTech Solution Center (SolutionsCenter@watech.wa.gov or 360-407-9100).