



The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS & INFORMATION FROM STATEWIDE ACCOUNTING

One Washington Project Update: Assessments and Benefits and Costs Oh My!

The work on the Business Case for replacing the state's Core Financial Systems is moving along fast! The business process and readiness assessments are done and now the work is focused on building the benefit and cost models.

It probably won't be a surprise to learn that based on the readiness assessment, significant change management would be necessary to prepare for replacement of the finance and procurement systems. The scope and scale of this type of a project is remarkable and while some agencies feel ready, others don't. Among a cross section of 15 agencies, generally smaller agencies said they are ready but the large agencies said they aren't ready. The result makes sense because of the organizational complexity of the larger agencies and at this point the project is limited to planning. The readiness assessment is used to estimate the amount of change management services needed; in our case it is significant. Change management includes activities such as user training, communication and stakeholder engagement.

The analysis of benefits includes both those that result in hard dollars, reduction of expenditures or increases in revenues, and mission benefits that provide better service.

(continued on page 2)



in this issue

- Access to Vendor Payment Data – 1
- One Washington Project Update – 1
- Focus on GL Reconciliations – 2
- TLA Project adds "gates" – 3
- CAMS Universe – 3
- Travel Policy Update – 3
- Important Federal Reminders – 4
- Year-End Closing Resources – 5
- OFM Training – 5
- Another Fiscal Year Close – 6
- SAAM Updates – 7

Sign-up Window is Now Open for Assigning Access to Vendor Payment Data

We are happy to report that much progress has been made on the AFRS Data Security Project. As we get closer to go live, we would like to thank all of you for your participation along the way. We would also like to acknowledge the creativity and energy that staff from Department of Enterprise Services (DES) brought to the project. The technical solution evolved in response to input from users. It has been a real team effort!

As a reminder, access to Enterprise Reporting Standard Reports (ER) and Web Intelligence (Webi) for all users will default to Level 3 on September 5, 2014. If you need access to vendor payment data fields for agencies other than your own, you need to request either Level 1 or Level 2 access. In ER, vendor payment data fields are vendor name and number, and in Webi they are vendor name, number, address, and UBI#, and a couple of ProviderOne fields.

Previous communications, forms, ER user lists, and other information are located on the Data Access Resource web page (<http://www.ofm.wa.gov/resources/dataaccess.asp>).

While the window to submit administrator forms and user access forms with associated spreadsheets is now open, only a handful of agencies have responded thus far. As you can imagine, DES has quite a workload in front of them to configure access for all users by September 5, 2014, and we do not want anyone to default to Level 3 if Level 1 or 2 is needed. Therefore, we encourage you to get forms and spreadsheets submitted to DES as soon as is practical. The original hard copy agency administrator form needs to be sent to DES Enterprise Reporting, PO Box 41433, Olympia, WA 98504-1433, and the user access forms with associated spreadsheets need to be scanned and emailed to the DES Solutions Center at solutionscenter@des.wa.gov.

If you have any questions, please contact Kim Thompson at (360) 725-0224 or kim.thompson@ofm.wa.gov.

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

One Washington Project Update: Assessments and Benefits and Costs Oh My!

continued from page 1

A couple examples of hard dollar benefits include increasing discounts earned for paying invoices quickly and strategic sourcing. In the case of prompt pay discounts, systems allow for the matching of documents to ensure that the goods ordered were received. Then the payment can be scheduled to use cash effectively and take advantage of any discounts offered. Regarding strategic sourcing, there may be opportunities that just aren't possible today due to system and data challenges. With good data, there is the potential to develop additional enterprise contracts for goods and services at savings. This is not a new idea in the state, but could be feasible in more categories because of system capabilities and data.

Mission benefits include automating work flow, improving data accuracy and analytic tools. Automating work flow reduces the wait time for documents to be approved and processed. Having one system of record means data doesn't have to be entered into multiple systems and reduces the possibility of errors. An example is the procure-to-pay cycle. We could improve service to our customers by handling requests for goods and services quicker and enhancing our ability to analyze purchasing needs.

At this point, Accenture is crunching costs and it is too early to know what the totals will be. We've just agreed on timelines for activities which will drive the timing of both the costs and benefits. You can take a look at the charts for implementation phasing and timelines at <http://one.wa.gov> about July 11th when the Steering Committee materials are posted.

Focus on GL Reconciliations

As mentioned in our spring Connection, we are continuing our emphasis on general ledger (GL) reconciliations. Reconciliations are key because the foundation of quality financial information is in the detail data recorded in AFRS at the GL level. Quality detail facilitates quality financial information and, unfortunately, the opposite is true.

We offered two new GL Reconciliation training classes this spring and they were well attended and well received:

- **General Ledger Reconciliation – Basics:** This class provides an overview of basic reconciliation concepts. Emphasis is placed on the value of reconciliations as well as the approach, frequency, and key components of GL reconciliations.
- **General Ledger 5111 Reconciliation:** This class demonstrates a technique to determine if there are lingering balances in GL 5111 that need to be researched; discusses how to research transactions from prior biennia; and shows how to document the 5111 reconciliation for a manager's review.

These new classes supplement a number of existing classes that cover reconciliation processes including: Health Insurance Reconciliation, Payroll Revolving Account Reconciliation, and In-Process Report Training. If you are unfamiliar with GLs, we also offer an introductory class on General Ledger Review.

The two new GL reconciliation classes will be offered this summer in July and August. For dates and times and to register go to the [Learning Management System website](#).

We also added a page to our Resources website that provides information about reconciliations at <http://ofm.wa.gov/resources/GLreconciliations.asp>. It 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. If you have resources you'd like to share with us for our website, we'd love to receive them.

Our expectation is that agencies will take advantage of these reconciliation resources as needed and reconcile all their GLs!

For assistance or additional information, please contact your assigned OFM accounting consultant.

TLA Project Adds “Gates”

Work continues on the Time, Leave and Attendance (TLA) project. The project team is working diligently towards implementations at the Departments of Ecology and Transportation. The project has inserted “gates” into the schedule, which is a normal part of managing a large project. These gates relate to certain milestones and will be used by the project to assess readiness to move forward – this includes looking at the work that’s been done, lessons learned, considering the work ahead, resource requirements and any concerns. There is governance within the Departments of Ecology and Transportation in addition to the overall project Steering Committee and Business Sponsor group to ensure that the project moves forward thoughtfully, with the ultimate goal of a high-quality TLA solution.

Specifically, here’s what is happening:

- The Department of Transportation continues to gather requirements for TLA implementation.
- The Department of Ecology is finishing their functional design documents and is beginning configuration of the TLA tool for their implementation.
- Plans are under way for testing.
- Curriculum planning work for staff training is ongoing.

For more information:

- Visit the TLA project website at www.des.wa.gov/about/pi/TLA/.
- If you have specific questions, email the project directly at tla@des.wa.gov.

CAMS Universe

Statewide Accounting sent out a survey to the Capital Asset Management System (CAMS) users last spring asking for feedback. In their responses the CAMS users offered up several suggestions for improvements including the ability to export CAMS data to Excel and improved, more flexible, reporting. As a result of the survey we have been collaborating with the Department of Enterprise Services (DES) to create a CAMS universe that would offer export functionality and ad-hoc reporting capability. At the present time, we are completing some programming updates and testing for the universe as well as for CAMS. We are also reviewing the data to ensure the universe accurately reflects CAMS. In the course of the project we will be reaching out to CAMS users to give feedback, look at the data, and test the system and reports. Once everything is in place, training will be provided to users by DES. If everything goes as planned, we hope to rollout the CAMS universe later this summer.

If you have questions, please contact Bruce Gorsky at (360) 725-0221 or bruce.gorsky@ofm.wa.gov.

Agency Input Shapes Travel Policy Update

During the spring of 2014, we convened a workgroup to help us evaluate suggestions from agencies to improve the travel policies in the *State Administrative and Accounting Manual (SAAM)*.

With the workgroup’s input, we updated Chapter 10 of SAAM effective July 1. The two key changes to travel policies are:

- Added language to allow acceptance of non-original receipts if an agency, by policy, ensures that adequate controls are in place to reduce the risk of duplicate or improper payments.
- Added clarifying language to the three hour rule for reimbursement of meal costs for non-overnight travel assignments. The policy requires travelers to be in travel status for their entire regularly scheduled working hours plus the additional three hours. This clarification syncs up the policy verbiage with how we have always interpreted and trained on the three hour rule.

We appreciate the suggestions and assistance of all who participated in the update effort. If you have suggestions for additional changes to the travel policies, please contact Bret Brodersen at (360) 725-0229 or bret.brodersen@ofm.wa.gov.

Two Important Federal Reminders

While there are many federal requirements for agencies receiving federal dollars and they cannot be summarized in one article, two of the requirements are highlighted below. For assistance or additional information on either requirement, please contact Kim Thompson at kim.thompson@ofm.wa.gov.

FFATA Reporting Requirements

Grantees and contractors that make subawards of \$25,000 or more with federal dollars are required to report under the Federal Funding Accountability and Transparency Act (FFATA.). The intent of FFATA is to empower every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government.

For non-Recovery Act grants awarded by the federal government after October 1, 2010, FFATA requires each grantee to collect and report information on awards to subrecipients of \$25,000 or more in federal funds. There are similar FFATA requirements for each contractor to collect and report information on awards to sub-contractors of \$25,000 or more in federal funds.

All reporting is done through the FFATA Subaward Reporting System (FSRS) and must be done by the end of the month following the month in which the subaward was made. Information reported through FSRS is available to the public on the federal website www.USAspending.gov.

Agencies should have internal processes in place to monitor and ensure compliance with FFATA. In fiscal year 2013, some agencies reported having technical difficulty accessing the FSRS website. If that happens, be sure to document attempts made so that you can demonstrate compliance. More information is available at the FSRS website <https://www.frs.gov/>.

Suspension and Debarment Requirements

Federal regulations prohibit recipients of federal awards from contracting with vendors suspended or debarred from doing business with the federal government. Therefore, for any purchase contract paid from federal funds that exceeds or is expected to exceed \$25,000, the grantee must ensure its vendors and subrecipients are not suspended or debarred from participating in federal programs. Grantees can meet this requirement by one of the following actions:

- Checking the federal Excluded Parties List System (EPLS) website <https://www.sam.gov/index.html/#1>.
- Collecting a certification from the vendor or subrecipient.
- Adding a clause or condition to the covered transaction with the vendor or subrecipient.

Agencies should have internal processes in place to monitor and ensure compliance. Documenting your work is a crucial part of the process. Especially if you check the EPLS, be sure to document your work and have it available both for your use and for the auditor.

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.

Resource	Description
AFRS/CAFR closing schedule	A monthly calendar with key dates for the closing process.
FY14 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 entries.
OST year-end cash memo	The link to OST’s closing schedule with cutoff dates for treasury activity.
State fiscal year-end update PowerPoint presentation	The class PowerPoint presentation.
Federal fiscal year-end update PowerPoint presentation	The class PowerPoint presentation.

We welcome suggestions for additions to this website. If you have any questions or suggestions, please contact Suzanne Coit at suzanne.coit@ofm.wa.gov.

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
State Disclosure Forms	July 16	8:00 – 11:00	3.0 hours
General Ledger 5111 Reconciliation	July 22	1:00 – 4:30	3.5 hours
General Ledger Reconciliation: Basics	August 6	8:30 – 12:00	3.5 hours
Health Insurance Reconciliation	August 13	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.

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

And We're Off and Running to Another Fiscal Year Close

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 23	Interagency billings mailed
July 31	Phase 1 closes – Agency Accruals
August 22	Phase 1B – early state disclosure forms are due
September 5	Phase 2 closes – Agency Adjustments. All agency adjustments in AFRS must be completed. Remaining State and all Federal disclosure forms are due.
September 17	State Financial Disclosure Certification form is due
December 5	Federal Assistance Certification form is due

Here are some important reminders to help the fiscal year close go a little easier:

- Reconcile, reconcile, reconcile - including:
 - In-process (71XX) and clearing (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.
 - Accruals (receivables and payables).
- Send interagency billings out promptly. Prioritize interagency receivable/payable reconciliations as many agencies have early internal close dates.
- Note the early Phase 1B completion date of August 22nd for certain state disclosure forms (3 cash forms, 3 bond forms, and COPs on the liability form).
- 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.
- If your agency is unable to meet one the due dates listed above, contact your assigned OFM accounting consultant as soon as possible.

The Disclosure Form application for state and federal disclosure forms opens on July 15. Be sure to check your access security early.

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

And the SAAM Updates Keep on Coming

The State Administrative and Accounting Manual (SAAM) was updated recently to incorporate state year-end reporting policy changes, actions of the 2014 Legislature, and various other changes.

Effective June 1, 2014, **OFM Directive 14A-02** updated Chapter 90 for state reporting policies and the year-end reporting and closing timetable for the fiscal year 2014 close. Also, Chapter 35 was updated to increase the consumable inventory threshold for year-end reporting purposes to \$50,000 per inventory control point.

OFM Directive 14A-03, effective July 1, 2014, updated the following:

- Chapter 10 – modified or clarified policies related to health and safety of travelers, the requirement related to original receipts, and meal reimbursements related to non-overnight travel.
- Chapter 30 – updated policies on capital leases, clarified information that should be considered when performing a risk assessment on agency assets and increased the threshold for certain small and attractive assets that must be inventoried (absent a risk assessment and development of written policies) to \$1,000.
- Chapter 70 – added language to coffee and light refreshments and meals with meeting policies to comply with Executive Order 13-06 *Improving the Health and Productivity of State Employees and Access to Healthy Foods in State Facilities*.
- Chapter 75 – added two new accounts and modified various attributes of 3 others.

The update to Chapter 95 Federal Assistance Reporting for fiscal year 2014 reporting will be issued by July 18, 2014.

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.

