



The Connection

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

Proposed 2009-11 Rates for OFM Financial Systems

OFM is proposing a combination of rate changes which we believe will:

- Offer most agencies a small cost decrease next biennium over the amounts assumed in the budget for this biennium.
- Move us closer to a fee model that always encourages agencies to maximize the use of OFM systems and their capabilities for effective management.

Please refer to the table on page 2 for proposed rate changes.

These rates are based on a variety of factors including transaction and usage forecasts, projected OFM costs assuming rate day rates of supplier agencies, and our current operational savings assumed in the proposed budget. We will be monitoring these assumptions closely and if they should change in a way that would further reduce our costs, we pledge to revise our rates to pass along the savings to agencies.

We are committed to assisting agencies with strategies to further reduce certain usage charges. OFM is also working on a number of proposals in response to the Governor's request to achieve cost savings and efficiencies. We look forward to working with agencies on business needs assessments, and gathering additional input as we move forward. If you have any additional ideas or suggestions on how OFM can offer better, or more affordable services, please contact us.

Thank you for your patience and assistance as we work to reduce our costs to agencies.



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SAAM Update

The State Administrative and Accounting Manual (SAAM) was updated effective January 1, 2009. Key changes included:

- Chapter 10 Travel was revised to reflect a decrease in the mileage reimbursement rate for privately owned vehicles to \$.55 from \$.585. The decrease mirrors the federal rate set by the United States Treasury Department which, per RCW 43.03.060, is the maximum rate the state can pay.
- Chapter 25 Payroll on workers' compensation time loss payments was updated to reflect the change to RCW 51.32.090 that sick leave is no longer considered regular salary or wages for purposes of time loss payments. Additionally, language was added pertaining to statutorily cancelled warrants and federal work study students.
- Chapter 75 Chart of Accounts was updated to reflect that the Dependent Care Program is now assigned to the Health Care Authority. Changes include:
 - o Changing the name of Account 08G to the Flexible Spending Administrative Account,
 - o Changing the administering agency for Account 165 to the Health Care Authority (Agency 107), and
 - o Abolishing Account 03T, the Dependent Care Administrative Account.
- Chapter 85 was updated to reflect the complete list of employees eligible to receive shared leave.

All SAAM directives and policies are available at: <http://www.ofm.wa.gov/policy/default.asp>. If you have any questions related to these SAAM changes, please contact the State Financial Consultant assigned to your agency.

2008 Audit Resolution Report Issued

The Audit Resolution Report was issued to the Legislature in December 2008. It summarizes the status of corrective actions taken by 16 state agencies in response to 40 audit exceptions issued by the State Auditor's Office for Fiscal Year 2007, including two findings related to fraud. The Audit Resolution Report includes exceptions noted in the statewide single audit as well as in individual agency and special audit reports. The report contains 33 percent fewer audit exceptions than in the prior fiscal year. We acknowledge agency efforts in focusing on accountability for state resources and program activities, as well as assisting us in the compilation of the 2008 report.

We invite you to view the 2008 Audit Resolution Report at <http://www.ofm.wa.gov/auditresolution/2008/default.asp>. If you have any questions, please contact the State Financial Consultant assigned to your agency.

Proposed 2009-11 Rates for OFM Financial Systems

| | Current Biennium | Proposed 2009-11 Biennium |
|---|---|--|
| AFRS Transaction Fee | \$ 0.065 | \$ 0.055 |
| AFRS File Usage (per record) | \$ 0.027 | no change |
| AFRS Warrants | \$ 0.046 | no change |
| AFRS Inserted Warrants | \$ 0.550 | no change |
| AFRS Report Exchange File (per page) | \$ 0.026 | No rate change, but most reports are now available in Enterprise Reporting for no additional fee |
| AFRS/DRS Report images (per page image) | \$ 0.095 | No rate change, but most reports are now available in Enterprise Reporting for no additional fee |
| AFRS/DRS Report pages (per page) | \$ 0.042 | No rate change, but most reports are now available in Enterprise Reporting for no additional fee |
| AFRS Report Remote Print (per page) | \$ 0.026 | No rate change, but most reports are now available in Enterprise Reporting for no additional fee |
| On-Demand Reporting (per page) | \$ 0.256 | No rate change, but most reports are now available in Enterprise Reporting for no additional fee |
| EFT payment | \$ 0.00 | no change |
| IAP payment | \$ 0.00 | no change |
| Warrant cancellation | \$ 0.00 | no change |
| Disbursement Reporting System File Usage – per record fee | \$ 0.004 | no change |
| ADDs File Transaction | \$ 60.00 | no change |
| ADDs Transactions | \$ 0.015 | no change |
| Capital Asset Management System File Utilization | \$ 0.114 | \$ 0.090 |
| Accounts Receivable Customer record fee | \$ 1.00 | \$ 0.75 |
| Accounts Receivable Monthly Subscription Fee | \$ 150.00 | \$ 0.00 |
| Accounts Receivable record processing fee | \$ 1.00 | \$ 0.75 |
| Interim Enterprise Contract Management System | Same assessment for user agencies as in 2007-09 | no change |
| Time Management System File Utilization (per active employee per month) | \$ 1.25 | \$ 0.75 |
| Travel Expense Management System (per voucher) | \$ 3.90 | \$ 1.00 |
| Enterprise Systems Fee –This fee covers the use of all other OFM financial systems. (This is an allocation factor based on the relative number of budgeted FTEs per agency. The amount shown for 2007-09 was the allocation rate per FTE per month funded in each agency's budget. (OFM has so far been billing less than this rate). The ensuing biennium amount is an estimated allocation rate per month per FTE based on current biennium FTEs .) | \$ 7.25 | \$ 8.68 |

Another Successful CAFR Season!

The Office of Financial Management (OFM) is pleased to present the 2008 Comprehensive Annual Financial Report (CAFR). Fiscal staffs at each state agency devote a lot of time and effort closing the fiscal year and providing financial data for this statewide report. We thank each and every one of you for your ongoing efforts.

In this year's CAFR, we implemented three new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB). We implemented:

- Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The other postemployment benefits (OPEB) offered by the state – subsidies for retiree health and dental insurance – are set each biennium as part of the budget process. While the state is not legally or contractually required to provide OPEB funding, Washington's OPEB falls within Statement 45's definition of a substantive plan. In Fiscal Year 2007, we began reporting OPEB plan level information in accordance with GASB Statement 43. For Fiscal Year 2008 reporting, Statement 45 required us to recognize the full cost of the OPEB offered, accruing a liability for the difference between the actuarially determined cost and the contribution made. We were also required to disclose information at the employer level about our OPEB including plan description, accounting policies, contributions and reserves, and funded status and funding progress.
- Statement No. 48 Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Futures Revenues. Statement No. 48 required the state to present disclosures of the revenues pledged to collateralize debt.
- Statement No. 50, Pension Disclosures - an amendment of GASB Statements 25 and 27. Statement No. 50 replicates the reporting requirements for other postemployment benefits by requiring disclosure for pension plans of funded status information.

We invite you to view the 2008 CAFR online at: www.ofm.wa.gov/cafr/2008/default.asp.

If you have any questions or comments, please contact Wendy Jarrett at (360) 664-7675 or wendy.jarrett@ofm.wa.gov.

Salary Projection System – New Release Coming Soon!

We are nearing completion on a project to create a web-based version of Salary Projection System (SPS); you will soon experience its new look and feel. Our primary focus was to make the navigation easier, to change the look and feel to be more like The Allotment System (TALS) and Capital Budget System (CBS), and to eliminate the need to download the security policy onto your workstation. As agencies have tightened security, we are finding it increasingly difficult to help users download the necessary components to allow access to SPS.

Our goal was to convert the system to a web-based application and fix some of the known issues. We were also able to fulfill many of the customer requests identified in our May 28, 2008 and November 13, 2008 customer group meetings.

Some of the changes to SPS include:

- A new FTE/Benefits report
- New incremental reports for Merit System Increases and General Salary Increases
- Additional information on the Position Listing Report
- Consolidation of position information on the Allotment Detail report
- New sort options by Account/EA Type and by project for the Allotment Summary report
- All position detail information on one screen

You will be notified as soon as the system is ready. We hope you find the converted system easier to understand and use. Any questions or concerns about the system can be sent to the BASS Helpline at (360) 725-5278 / ofmbass@ofm.wa.gov.

Travel Systems Update

The new Travel and Expense Management System (TEMS) rolled out October 22, 2008 and replaced the state's Travel Voucher System (TVS). Over half of the existing 27 agency customers are now successfully using the new system. The remainder of the scheduled customers will switch to the new system by March 2009. Two new customers have signed up for TEMS, bringing the total number of agencies using the new system to 29. Please refer to the table below for the current TEMS implementation schedule, and note that changes to this schedule are still a possibility.

The TEMS implementation proceeded smoothly, thanks to the efforts of customer agencies in preparing their users. Many agencies took advantage of electronic tools, such as "PowerPoint" presentations, to supplement the Help features available within TEMS.

We are glad to announce that by January 2009, another on-line training tool will be available to everyone: training videos accessible via the TEMS website. Two videos were developed through a partnership between the Departments of Social and Health Services and Information Services and OFM. One video addresses requests for reimbursement of travel expenses; the other deals with reviewing and approving travel requests.

For details regarding your agency's TEMS implementation, please contact your agency's Travel Help Desk or TVS system administrator. If you'd like to know more TEMS and its potential use in your agency as a new customer, contact Larry Johnson, OFM TEMS Product Consultant at (360) 664-7778 / Larry.Johnson@ofm.wa.gov.

| Agency | Week of TEMS Implementation: |
|---|--|
| Office of Financial Management | October 20, 2008 |
| Office of the State Auditor | November 3, 2008 |
| Department of Agriculture | November 10, 2008 |
| Washington State Senate | November 10, 2008 |
| Department of Early Learning | November 10, 2008 |
| Office of the Insurance Commissioner | November 24, 2008 |
| Office of the Lieutenant Governor | December 3, 2008 |
| State Gambling Commission | December 8, 2008 |
| Department of Veterans' Affairs | December 15, 2008 |
| Indeterminate Sentencing Review Board | December 19, 2008 |
| State Conservation Commission | December 19, 2008 |
| Human Rights Commission | December 19, 2008 |
| Department of Social and Health Services | December 8, 2008 thru January 12, 2009 |
| Office of the Governor | December 31, 2008 |
| Puget Sound Partnership | December 31, 2008 |
| Department of Information Services | January 12, 2009 |
| Department of Financial Institutions | January 12, 2009 |
| Employment Security Department | January 19, 2009 |
| Utilities and Transportation Commission | January 26, 2009 |
| Department of Licensing | February 2, 2009 |
| Recreation and Conservation Funding Board | February 9, 2009 |
| State Investment Board | February 16, 2009 |
| Washington State Patrol | February 23, 2009 |
| Office of the Secretary of State | February 23, 2009 |
| State Lottery Commission | February 23, 2009 |
| Department of Labor and Industries | March 2, 2009 |
| Department of Corrections | March 2, 2009 |
| Military Department | March 2, 2009 |
| Department of General Administration | TBD |
| Community, Trade & Economic Development | TBD |