



# The Connection

A QUARTERLY NEWSLETTER REPORTING NEWS &amp; INFORMATION FROM STATEWIDE ACCOUNTING

## Privately Owned Vehicle Mileage Rate Increase

We have updated the State Administrative and Accounting Manual to reflect the increase to the reimbursement rate for privately owned vehicle (POV) mileage from \$0.585 to \$0.625 effective **July 1, 2022**, per [IRS Announcement 2022-13](#). The state Per Diem Rates map was also updated to reflect the mileage rate revision. The revised map is available on OFM's Travel Resources website at: <http://www.ofm.wa.gov/resources/travel.asp>.



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## Fiscal Year-end Reminders

As always, we want to thank each of you for your hard work last year. We rely on all of you for timely and accurate information as that allows us to be successful in completing the Annual Comprehensive Financial Report (ACFR). This is truly a team effort, and we hope you all know how much you are appreciated.

Our ACFR publication goal for fiscal year 2022 is November 30 and, as usual, to meet this goal everyone must do their part in a timely manner. While fiscal year close is a busy time, there are things you can do to help reduce the stress level. Specifically, if you haven't already, start now to:

- Reconcile your general ledger (GL) balances and post appropriate adjusting entries.
  - o Know what makes up the balance in each GL.
  - o Ensure GL balances tie to subsidiary records.
  - o Have a plan for actions needed to correct balances and follow through on it.
- Check that last year's interfund and interagency balances have been liquidated.
  - o One known exception to this is Due from Military Dept. (245000) for FEMA reimbursements.
- Review year-end training as needed. Since these are eLearning classes, they can be taken when it's convenient for each person.

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# A New Look for SAAM

Statewide Accounting has converted the State Administrative and Accounting Manual (SAAM) into a new format. Beginning July 1, 2022, we will no longer update the previous version of SAAM.

In order to utilize the full functionality of the new version of SAAM, we recommend users use the [complete PDF version](#) of SAAM. Using this version of SAAM allows users to:

- Search the complete SAAM manual by simply clicking Ctrl + F on your keyboard which will bring up a search bar in the upper right corner of the browser.
- Use the document outline to navigate to a specific chapter in SAAM by clicking the menu button in the upper left corner.
- Use all hyperlinks to external websites, as well as navigate to other sections within SAAM.

If you would like to view or print a specific section of SAAM, similar to the previous version, just click on the specific section from the [table of contents](#) and a PDF copy will open. Please note, when using the individual sections of SAAM, the hyperlinks only work to external webpages and references within the same section.

Another helpful tip: when clicking a hyperlink, if you would like to open the document in a new window press Ctrl on your keyboard while clicking the link.

We are continuing to make improvements to the manual and encourage you to provide us with your feedback as you convert to the new version. Please send your feedback or suggestions on the updated SAAM manual to: [OFMAccounting@ofm.wa.gov](mailto:OFMAccounting@ofm.wa.gov).

# Federal Update

## Single Audit Update

In the last issue of The Connection, we communicated about the delay in the fiscal year 2021 Statewide Single Audit. Among the administrative relief provided in the federal memorandum [M-21-20](#) is a six-month extension to the single audit submission deadline. Statewide Accounting is anticipating filing the report in the first week of August 2022, barring any unexpected delays.

The State Auditor's Office (SAO) issued all final findings as of June 30, 2022. Statewide Accounting has been working on different components of the 2021 Single Audit Report and assisting state agencies in developing corrective action plans to address their findings. In our continued efforts to ensure the state meets federal reporting deadlines, we appreciate your cooperation and support of this process.

There have been no extensions granted to the Single Audit reporting deadline for fiscal year 2022, so OFM is planning on filing the report by March 31, 2023. Due to the shortened timeframe between audit cycles, SAO has already started planning work on the fiscal year 2022 Single Audit. A preliminary list of major programs and agencies has been included in the audit plan. Final program selection will be completed after OFM submits the fiscal year 2022 Schedule of Expenditure of Federal Awards to SAO.

For more information, please contact: Stacie Boyd at [stacie.boyd@ofm.wa.gov](mailto:stacie.boyd@ofm.wa.gov)

## Compliance Supplement

The Federal Office of Management and Budget issues the Compliance Supplement each year to provide updated guidance on federal program objectives, procedures, and compliance requirements. The [2022 Compliance Supplement](#) was released in May 2022, and SAO will be referring to this document when conducting the 2022 Single Audit.

Below are some highlights of the 2022 Compliance Supplement:

- Appendix V provides a high-level overview of the detailed changes from the 2021 Compliance Supplement.
- Continues to limit the compliance requirements for each program to six to be included in the compliance audit.
- The Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) section was revised to incorporate the CSLFRF Final Rule.
- Various programs for COVID-19 funding were updated to reflect provisions from the American Rescue Plan Act.
- There will not be an Addendum to the 2022 Supplement.
- The auditors must continue to review the Federal Funding Accountability and Transparency Act subaward reporting requirements for all programs, as applicable.

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## **Federal Update** - *continued from page 3*

- The Federal Audit Clearinghouse (FAC), the repository for single audit reports, is transitioning from Census to the General Services Administration (GSA) effective October 1, 2022. The current Census FAC will continue to accept late fiscal year 2021 audits, but all fiscal year 2022 audits must be submitted through the GSA FAC. Agencies who have subrecipient monitoring responsibilities will be able to use both systems to search for subrecipient audit reports until the GSA completes the transition.

For more information, please contact: Marina Yee at [marina.yee@ofm.wa.gov](mailto:marina.yee@ofm.wa.gov)

## **Disclosure Forms**

The disclosure form application is scheduled to open on 7/11/2022. There are no significant changes to the federal forms this year except updates to the following terminologies:

- Catalog of Federal Domestic Assistance (CFDA) is now called Assistance Listing Number (ALN)
- Data Universal Numbering System (DUNS) number is now called Unique Entity Identifier (UEI)

The [Federal Disclosure Form eLearning](#) is available on the OFM website to provide guidance for agencies in completing the federal disclosure forms.

For more information, please contact: Marina Yee at [marina.yee@ofm.wa.gov](mailto:marina.yee@ofm.wa.gov)

## **Federal Stimulus Funding**

As a result of the COVID-19 pandemic, many new federal programs have been established and funding has been added to existing federal programs from the following Acts:

- Coronavirus Preparedness and Response Supplemental Appropriations Act
- Families First Coronavirus Response Act
- Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARPA)

Funding arising from these sources, both to new and existing programs, is referred to as “COVID-19 funding,” or “COVID-19 programs.” Due to the additional risk associated with certain COVID-19 funding, the 2022 Compliance Supplement continues to include certain programs with COVID-19 funding on the “higher risk” list. Appendix IV has been updated to include a complete list of programs with the higher risk designation.

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## **Federal Update** - *continued from page 4*

As the recovery from the pandemic continues, Single Audit engagements will continue to be challenging as additional federal funding has continued throughout 2022. We encourage agencies to stay current on federal rules, regulations, and guidance related to their grant programs as an integral part of their federal grant management process. Please reach out to Statewide Accounting if you have questions regarding the proper recording and reporting of federal assistance.

For more information, please contact: Marina Yee at [marina.yee@ofm.wa.gov](mailto:marina.yee@ofm.wa.gov)

### **Coronavirus Relief Funds**

The period of performance for Coronavirus Relief Funds (CRF), part of the CARES act, is March 1, 2020, through December 31, 2021. CRF funds must be fully spent, and all reconciliations completed by fiscal year 2022 close. Statewide Accounting is working on submitting the next quarterly report which is due on July 11, 2022.

For more information, please contact: Evelyn Kover at [evelyn.kover@ofm.wa.gov](mailto:evelyn.kover@ofm.wa.gov)

### **Coronavirus State and Local Fiscal Recovery Funds**

The Quarterly Project and Expenditure report for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), part of the American Rescue Plan Act, is due to the U.S. Treasury in July 2022. Statewide Accounting recently sent out requests to agencies for programmatic and financial information of projects using SLFRF funding and will compile the statewide information submitted by agencies for reporting. Please ensure your agency adheres to the response deadline of July 11, 2022. This will allow Statewide Accounting to work on necessary report submission prep work and update expenditure amounts after FM 12 closes to reflect all activities for the reporting quarter. Please note that new for this quarter, agencies are required to submit all coding associated with the identified projects for verification to ensure the statewide report is complete and accurate before submission.

For more information, please contact: Evelyn Kover at [evelyn.kover@ofm.wa.gov](mailto:evelyn.kover@ofm.wa.gov)

# The Payee Registration Unit – Summer Edition

## Welcome to Kaylene Brendal

Please join us in welcoming Kaylene Brendal – our newest member of the payee registration team!

Kaylene spent the last three years doing payroll for a construction company. She has also worked in a wide variety of positions. Kaylene is an avid reader, writer, and bibliophile. She wants one day to have her own personal library. Kaylene enjoys many active pursuits including running, riding, indoor gardening, cooking, hiking, camping, bowling, biking, lawn sports etc. She is also a huge fan of live music and dancing; it was what she missed most during the pandemic, and she has since been going to every show she possibly can.

Kaylene is a welcome addition to the team.

## Statewide vendor number unification process

OFM is in the process of unifying statewide vendor records (SWV#). We are updating federal, state, and local government statewide vendor entries to standardize nomenclature and eliminate duplicate records. This is in preparation for transfer of this data from AFRS to One Washington for Workday.

The only impact users will notice in AFRS is a slight modification to the federal, state, and local vendor names and associated “doing business as” (DBA) names. When looking up a vendor, remember that the general rule for Workday is to spell everything out so these name changes in AFRS will reflect that guideline.

For example, “University of Washington” will be used for all abbreviations such as UW, Univ of WA and University of WA. In this case, University of Washington DBAs will be updated to reflect departments or colleges such as University of Washington DBA Financial Accounting or University of Washington DBA Neurology. This will achieve consistency across all records and suffixes in the federal, state, and local payee records. We may, in the future, undertake an effort to review and standardize business entity nomenclature. However, currently, we are only making these changes to government entities.

## Payee registration trainings are now available to your agency

Do your vendors have trouble completing the payee registration forms? We are now offering training to agencies to help you assist your vendors. We have successfully presented this training to DCYF, DSHS, DES and DOH. If you would like us to spend 90 minutes with your team, we would be happy to schedule a time to work with you.

If you have any questions, please don't hesitate to contact the payee registration desk at 360-407-8180 ext. 5.

# Reconciling Payroll GL 5181 - Employee Insurance Deductions Payable

## Focus on Department of Ecology

In the realm of state payroll reconciliations, GL 5181 – Employee Insurance Deductions Payable stands out as one of the most challenging for medium and large agencies. Not only does it involve two separate systems (HRMS and PAY1) that need to be in sync, but it also requires accurate payroll deductions under a variety of timing situations. Additionally, there is not a ‘one-stop shopping’ report to use for this reconciliation and, if an agency doesn’t stay on top of it, the balance in GL 5181 can get out of control very quickly.

The good news is the HRMS team is nearing completion on new GL 5181 resources. These resources will help an end user with the HRMS adjustments based on the timing of the employee’s insurance eligibility to help minimize the discrepancies in GL 5181. That is really the key – getting it right upfront versus fixing the discrepancies after the fact. Watch for an announcement about this on the HRMS Support Hub soon.

In the meantime, agencies still have to reconcile GL 5181. There is not enough room in this newsletter to provide all the instructions, but we asked the Department of Ecology how they stay on top of this GL and here is what they shared:

### Reconciliation Template:

Department of Ecology uses the standard [Reconciliation](#) template that OFM created for state agencies. Data is entered from various reports (see below) and the 5181 reconciliation spreadsheet will indicate an out of balance. All of the formulas are built into the 5181 spreadsheet so it can calculate the ending balance.

The benefit of using this template is it is easy to review what cells the formulas are looking at so you can work backwards to find errors until you balance your 5181 GL.

### Processing the GL 5181 Reconciliation:

After the monthly “state share” process, there are five reports – listed below – needed to complete the reconciliation. The term “state share” is the monthly billing process by Health Care Authority.

1. From Enterprise Reporting (ER), run the General Ledger Account Analysis Flexible report. Limit to Account 035, the fiscal month you are reconciling, and GL 5181. This report will show the activity in AFRS.
2. From Enterprise Output Solutions (EOS), run the Employer Insurance Reconciliation report (HRISD-B5570-R01) for the current month. This report shows the employer share out of balance items between Health Care Authority (HCA) and HRMS.
3. From EOS, run the Employee Insurance Reconciliation report (HRISD-Pay001P1-R01) for the current and prior month. This report shows employee premiums that are outstanding. This is sometimes referred to as the A.23 report.
4. From EOS, run the Miscellaneous Deduction Register (MDR) (Form A5-1).

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## Reconciling Payroll GL 5181 - Employee Insurance Deductions Payable - *continued from page 7*

5. From HRMS, run the Payroll Posting report (ZHR\_RPTY126). Ecology uses one of the variants that provides a summarized total by plan type, with a grand total for the time period.

Using these reports, we key the total deductions/state share amount from the MDR into the reconciliation template; the ending and beginning balances and period activity from the ER report; and the total amount listed on the Payroll Posting report.

If you have any agency-issued JVs on your General Ledger Account Analysis Flexible report, you will need to enter them at the bottom in the “Manual Activity” section to show this activity.

Once all activity and data are captured on the spreadsheet and your current month’s activity from HCA aligns with the information from HRMS and AFRS, you can start reviewing any differences for individual employees to determine what adjustments are needed to bring them into balance. Using the Health Care Activity report from HRMS (ZHR\_RPTY376) will help identify those differences. You can run this to see all activity in 5181 for an employee. This can help identify any missed or over-collected premiums, which will require either adjustments keyed in HRMS and/or a JV processed and sent to another agency.

### TIPS/TRICKS and COMMON ISSUES/ERRORS

1. Do your reconciliation monthly and remember to bring forward the prior month’s outstanding items. It is so much easier to keep up if you are not a few months or more behind!!!
2. Try to catch adjustments each pay period. We have one person auditing all PEBB Enrollment Forms and doing adjustments on all new employees as needed. This makes our reconciliation much cleaner and, as a result, less labor intensive.
3. Try to run the Health Care Activity Report (ZHR\_RPTBNN36) selecting the Provider Cost Activity Report radio button a few times a year. If you process these adjustments every 3 or 4 months, it makes the end of the year clean-up much easier and will require less manual year-to-date adjusting entries.

For helpful resources on this topic please visit:

<https://ofm.wa.gov/accounting/administrative-accounting-resources/payroll/reconciliation>

We would like to express our gratitude to Sally Brown, Shari Aguilar, and Sheila Meyer from the Department of Ecology for contributing to this article. Again, watch for additional resources available on the HRMS Support Hub in the near future.



# New SWA Training Plan Launching Fall 2022

This summer, the Statewide Accounting team is working on five new trainings that will be launched in the fall as part of the new accounting training plan.

We know that many accounting staff have been looking for more opportunities to earn CPE credits and to brush up on skills, and we are excited to make more opportunities available. These first trainings will focus on basic accounting and basic governmental accounting topics.

This foundational knowledge is crucial for staff at all levels. Whether these trainings offer first-time learning or a refresh, we think that this initial launch of trainings will support the success of finance staff across all roles.

The broader training plan includes two subsequent launches: one set of trainings on systems to complement the existing IT systems trainings, focusing on the accounting aspects of the topics; and one set of trainings on specialized accounting topics, such as reconciliation.

As we roll out these new offerings, we will also design learning paths to support learners and their managers in tracking progress and selecting the right trainings for their needs. These learning paths will be recommendations based on general responsibilities for certain roles, leaving space for staff to customize the plan to their own specific needs and interests.

The new SWA offerings will utilize a combination of eLearning and instructor-led formats. As in-person trainings become more of an option, we will continue to offer remote and hybrid options to serve the diverse range of staff needs. The trainings will be broken down into short timeframes, so that staff don't need to reserve a whole day or even a half day for trainings. The hope is that the shorter format of 30 minutes to 2 hours will help learners take in the content more effectively, while also making it easier to enroll in trainings without disrupting other commitments and routines.

Our team is excited about these new developments and can't wait to share more with you.

## Fiscal Year-end Reminders - *continued from page 1*

- Set internal due dates and assign tasks to staff who are trained for those activities.
- Communicate deadlines both internally (those who supply needed information) and externally (vendors, contractors).
- Prepare to issue your interagency billing by the July 25 due date. Timeliness is critical.
- Tackle those interagency balances early on as interagency receivables and payables must be in balance by August 19. As you work with other agencies, remember that you are on the same team with the same goal.
- Schedule ER exception reports to run at the frequency you choose throughout fiscal year close. These can be set up to come directly to your email.
- Verify that needed Assistance Listing Numbers (ALN) are available in AFRS for federal reporting. (These were previously called CFDA numbers.)
  - Contact your OFM Accounting Consultant for additions, providing the cover sheet from the award document that clearly displays the ALN.
- Perform administering agency duties, such as monitoring fund balance and cash balance.

We appreciate your efforts to meet the ACFR deadlines and look forward to another successful close. Remember, all the work you have done this past year and will do this summer will culminate with the 2022 ACFR. **Go team!**

