

FISCAL YEAR-END 23 & 23-25 BIENNIAL BUDGET BUILD WORKSHOP

06.01.2023

Small Agency Financial Services

ACCOUNTING CLOSE

PAYROLL, ACCOUNTS RECEIVABLE, & ACCOUNTS PAYABLE



PAYROLL SUMMARY

June 23: Donations for shared leave due

June 30: Comp time will be cashed out if not used (represented employees only)

July 1: Payroll due

- June 16-30 payroll activity
- Board/Commissioner stipends
- Commute Trip Reduction (CTR)
- Cost coding for FY23





PAYROLL CONTACT INFO

DESpayroll@des.wa.gov

360-407-2239

ACCOUNTS RECEIVABLE SUMMARY

July 1: Checks dated July 1 or later must be separated from June dated checks, submitted on separate deposit slips and/or A45's

July 20: Deadline to submit invoicing information if DES prepares invoices for your agency

July 24: Deadline to mail internally prepared invoices and report receivable information to DES

August 18: Interagency receivables balancing due



CASH RECEIPTS / AR ACCRUAL

If a July check is payment for a June service, an accrual will be entered in FY23.

Please ensure all checks are properly filled out and signed. A missing signature can delay deposit.

If you know of a June service that will be paid for after July 1, please submit this information to DES for accrual in FY23.





AR CONTACT INFO

Shared Cashier Inbox: financecashier@des.wa.gov 360-407-2237

Crystal Marshall, Fiscal Analyst: crystal.marshall@des.wa.gov 360-277-7229

Betti Bartoldo, SAFS AR Supervisor: betti.bartoldo@des.wa.gov 360-277-7114

ACCOUNTS PAYABLE SUMMARY

- **SAFS AP pays or accrues FY23 expenses**
- **SAFS AP completes “due to/due from” balancing with other State agencies**
- **SAFS AP assists with belated claims as needed**
- **SAFS AP pays against FY23 accruals throughout FY24**
- **SAFS AP monitors and reconciles accrual general ledgers**
- **And More!**



ACCOUNTS PAYABLE KEY DATES

June 22: deadline to submit invoices that need paid before June 30 (including petty cash replenishments)

June 29 & 30: invoices will not be processed for payment

June 30: cash cut-off, goods/services must be delivered/provided

August 4: deadline for payment of July US Bank Statements

August 4: deadline to submit completed accrual template

August 4: deadline to submit all FY23 invoices and TEMS requests



WHAT AP NEEDS FROM AGENCIES

- **Send in all FY23 as far in advance of the August 4th deadline as possible**
- **If FY23 invoices are not available by August 4th include them on accrual templates**
- **Submit agency specific items as soon as possible (misc. corrections & year end adjustments)**
- **Communication!**



CASH CUT OFF

State Treasurer deadline for cash transactions: **June 30**

Payments will not be processed on Thursday, June 29 or Friday, June 30 due to cash cut-off

- Invoices that need to be paid by the end of June must be received in AP by **June 22**

Cash cut off will also affect how fund transfers are processed



PURCHASES

To use FY23 funds, goods and services must be received by June 30

Identify correct fiscal year on backup related to when the goods were received or the dates service was provided

- Goods: must be delivered on or before June 30, plan your orders accordingly
- Services: based on the day or period the service was completed/provided
- Give particular attention to Purchase and Travel cards: the transaction date on the statement will not always reflect the date of service or delivery of goods



INVOICES

Split A45s between years: FY23 and FY24

Deadline for FY23 payment: **August 4**

- Send to: payments.safs@des.wa.gov

Be proactive: track down invoices, set up new vendors ASAP

- Reminder: up to 3-5 business days to process vendor forms
- Forms are located here: <https://ofm.wa.gov/it-systems/accounting-systems/statewide-vendorpayee-services>



TRAVEL

Split TEMS requests between years: FY23 and FY24

Deadline for FY23 payment: **August 4**

- Send to: travel.safs@des.wa.gov

Timely Submissions: give yourself enough time to prepare, submit, and approve all requests in TEMS before **August 4**

Pending reimbursements? Let us know!



US BANK STATEMENTS

Deadline for payment of July US Bank Statements:
August 4

Submit the entire statement on one batch

- **Do not split by fiscal year**

Tip: cut off purchasing in June to ensure all goods are delivered by June 30



ACCRUALS

What is an accrual?

- Setting aside FY23 money for invoices that have not been received or paid

Why is it important?

- If not accrued in FY23, will need to pay out of FY24 budget
 - Belated Claim process to pay out of FY24
 - Even if money was left in FY23, that money is lost if not accrued or paid in time



ACCRUAL DEADLINES

Who	What	When
SAFS AP	Send template to agencies	July 24 – 28
Agencies	Verify template and make necessary changes	July 24 – Aug 3
Agencies	Send completed template back to SAFS AP Send all FY23 invoices available for payment	August 4
SAFS AP	Review and upload templates Send notification to agencies once upload complete	August 7 – 17

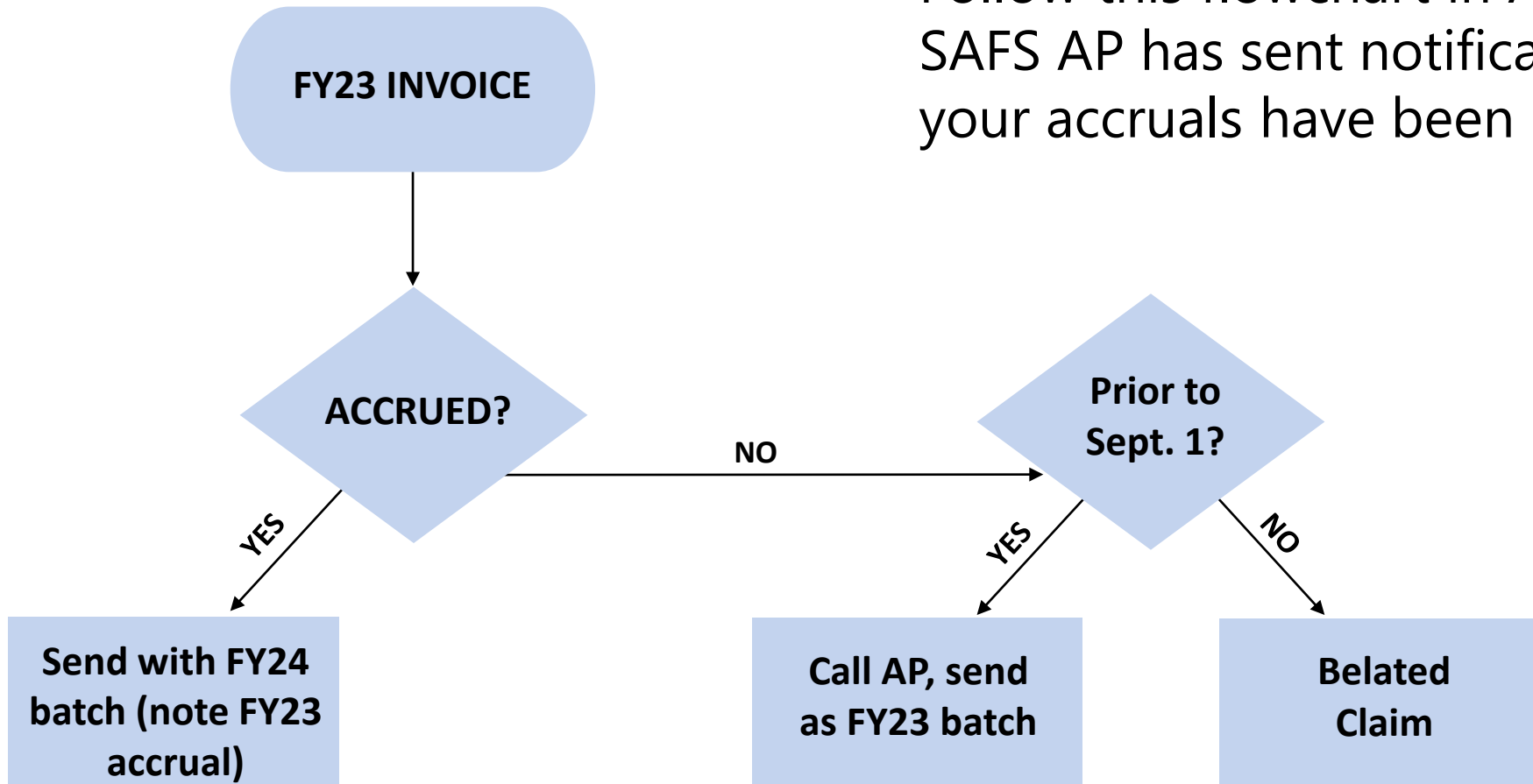
Send all accrual correspondence to:

APquestions.safs@des.wa.gov



ACCRUAL FLOWCHART

Follow this flowchart in August after SAFS AP has sent notification that your accruals have been uploaded.



BELATED CLAIMS

When an unexpected invoice comes up after both payment and accrual cut-offs:

- Talk to SAFS AP and your Financial Consultant – we will determine if OFM approval is needed to pay old year expenses with new year funds





AP CONTACT INFO

Apquestions.safs@des.wa.gov: accrual correspondence

Payments.safs@des.wa.gov: payment batches and invoices

Travel.safs@des.wa.gov: travel receipts/approvals, TEMS admin

360-407-8183: shared line for all AP or Travel related questions

ACCOUNTING QUESTIONS?



BUDGET TOPICS

*CAPITAL ASSETS, DISCLOSURE FORMS, ALLOTMENTS, & FY 2024
SUPPLEMENTAL*



CAPITAL ASSETS SUMMARY

Capital assets must be recorded in Capital Asset Management System (CAMS) or Facilities Portfolio Management Tool (FPMT).

- Capitalization criteria is outlined in SAAM Chapter 30.

What we need from you:

- By June 30 – Perform a physical inventory of items. (Only once every two years. If you did it last year, you do not need to do one this year.)
- By July 21 – Inform SAFS budget analysts of any added items during the period or any items that were disposed of.

Agencies must keep an inventory of Small and Attractive Assets, either in CAMS or an in-house system.



CAPITAL ASSETS

Any tangible or intangible assets held and used in state operations, which have a service life of more than one year SAAM 85.60.10. Capitalization criteria outlined in SAAM Chapter 30.

- \$5,000 or more in value for a tangible asset
- Buildings, building improvements, improvements other than buildings, and leasehold improvements with a cost of \$100,000 or greater.
- Lease assets with total payments over the lease term of \$500,000 or greater
- Subscription-based information technology arrangements with total payments over the subscription term plus capitalizable implementation costs of \$1,000,000 or greater.
- \$1,000,000 or more in value for an intangible asset



ACCOUNTING FOR CAPITAL ASSETS

Capital assets must be recorded in Capital Asset Management System (CAMS) or the Facilities Portfolio Management Tool (FPMT).

What we need from you:

- By June 30 – Perform a physical inventory of items.
- By July 21 – Inform SAFS budget analysts of any added items during the period or any items that were disposed of.

What you can expect from us:

- Today (June 1) – A current list of your agency's capital assets.
- By July 31 – Input changes into CAMS to ensure proper reconciliation of General Ledgers for year end and disclosure reporting.



SMALL & ATTRACTIVE ASSETS

Agencies must keep an inventory of Small and Attractive Assets, either in CAMS or an in-house system.

- Generally consist of portable electronic equipment that has a high risk of loss
- Do not include items that meet the state's capitalization criteria

Examples include:

- Laptops, tablets, and smart phones over \$300
- Cameras, video cameras, projectors, TVs, and desktop computers over \$1,000



DISCLOSURE FORMS SUMMARY

In August, your SAFS budget analyst prepares all the necessary disclosure forms and will send these to you with a cover memo

What we need from you:

- Review the forms
- Sign the state/federal certification:
 - State due to OFM by **September 13, 2023**
 - Federal due to OFM by **May 31, 2024**
- Email signed certification form back to SAFS budget by the end of August
- Sign the disclosure forms post-dated to the due dates set by OFM.
- Provide any required supplemental information
 - Summary of internal control deficiencies/corrective actions



DISCLOSURE FORMS

Disclosure forms communicate required financial information not readily available in AFRS for use in preparing the state Comprehensive Annual Financial Report (CAFR).

Disclosure forms also provide assurances that the agency is following good accounting and internal control practices.

SAFS will prepare all the necessary disclosure forms.



STATE DISCLOSURES

Required state disclosure forms

- Miscellaneous disclosure form
- Financial disclosure certification form
- Cash and investments restricted disclosure form

Other state disclosure forms

- Cash on hand and in bank
- Capital assets – summary of activity
- Lease disclosure
- Liabilities by major class
- Deferred and unearned revenue



FEDERAL DISCLOSURES

Required federal disclosure forms – only if you had federal expenditures or revenue

- Federal assistance certification
- Federal financial assistance direct
- Federal identification numbers

Other federal disclosure forms

- Federal assistance received from nonfederal sources
- Federal loan balances
- Federal nonfinancial assistance
- Federal nonfinancial assistance inventory balances

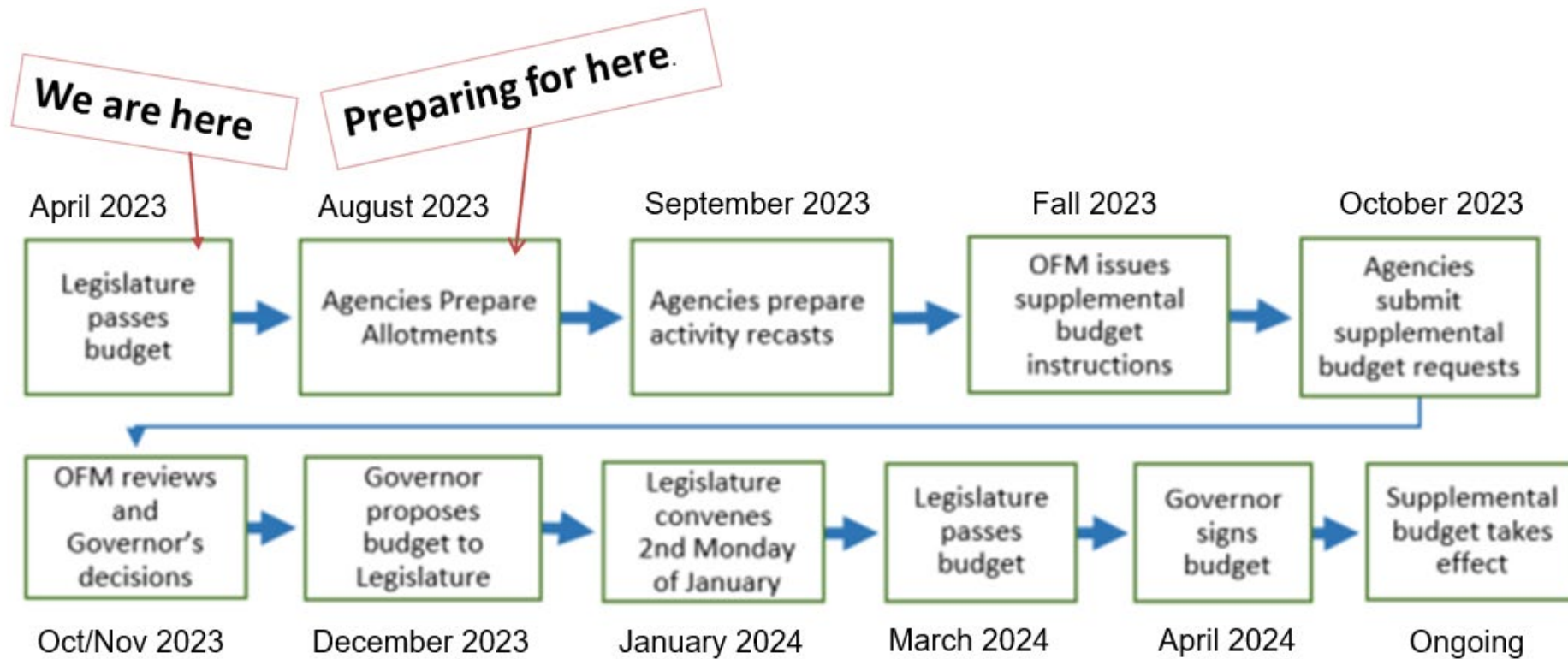


ALLOTMENTS

Preparing your spending plan for the 2023-25 Biennium



WHERE ARE WE IN THE BUDGET PROCESS?



BASIC PROCESS - ALLOTMENTS

SAFS will draft a two year spending plan based on historical spending.

We will add in changes we are aware of such as:

- Changes to central service costs
- Salary step increases



BASIC PROCESS - ALLOTMENTS

We will prepare the plan in a format that separates fixed and discretionary costs to show where your spending flexibility may be.

Fixed Costs: expenses that do not fluctuate and the agency is obligated to pay

Discretionary Costs: expenses that an agency can control



SAMPLE SPENDING PLAN

Biennium 23-25

FY 2024 Fixed

OBJECT	DESCRIPTION	FIXED	VARIABLE	CENTRAL SERVICE	ANNUAL	ASSUMPTIONS
	FTE	9.5				
A	SALARIES	59,178	0	0	710,138	2% COLA for existing staff 7/1/18 and 2% COLA oon 1/1/19, Commission meets 5 times per year-\$1,300 each time
B	BENEFITS	18,863	0	0	226,357	\$25 for DRS March, \$38/qtr for FSA, CTR \$600/yr June
EB-B010	INTERNET	105	20	3	1,503	Arkadin Web Conferencing \$17/qtr, Comcast \$95, DUO Security \$10, SSL Cert \$175/yr February?
EB-B030	STATE PROVIDED PHONE SERVICE		238	(3)	2,853	CTS \$238
EB-B050	POSTAGE AND PARCEL		22		264	FedEx \$28/yr, PO Box \$236/yr March
EC	UTILITIES		2		24	WCI Shred \$24/yr
ED-D030	RENTALS & LEASES-LAND & BLDG			145,356	145,356	Per estimate provided at budget submittal (January-June)
EH	EQUIPMENT LEASES	9			108	Mtn Mist \$9/mo
EK-K020	DES CMS CAMPUS MAIL		190		2,280	FY 17 average
EK-K030	FACILITIES AND SERVICES			0	0	
EK-K050	OTHER CENTRAL SERVICE BILLING CHARGES			41,084	41,084	SAFS \$33,479, Perry Street Daycare \$82, Cap Proj Surcharge \$3,799, Campus Contracts \$1,724, DES Rate changes \$2,000
EK-K060	DES PARKING SERVICES			0	0	
EK-K080	PUBLIC & HISTORIC FACILITIES			1,110	1,110	Central Service Model
EK-K090	REAL ESTATE SERVICES			0	0	
EL	DATA PROCESSING SERVICES			2,886	2,886	OFM ERP Financing Estimated at \$372/Qtr, DES Applications Fee \$399, Other WaTech Fee for Service \$1,000
EL-L020	ENTERPRISE SECURITY			338	338	Security Gateways \$338
EL-L030	ENTERPRISE SYSTEMS FEE			5,065	5,065	Central Service costs
EL-L050	OFF. OF THE CHIEF INFO OFFICER			831	831	Central Service Model
EL-L060	OTHER CTS SERVICES			0	0	
EL-L070	STATE DATA CENTER			2,330	2,330	Central Service Model
EL-L090	WARRANTS			37	37	estimate from FY17
EM	ATTORNEY GENERAL			3,650	3,650	Central Service costs
EP-P010	OTHER INSURANCE	25		1,000	1,025	Fidelity Bond, Paid Family Leave \$1,000



WHEN WE MEET WITH YOU

Allotment Meetings

- Will be scheduled in June or July (via Zoom, Teams, or telephone).
- We will discuss the draft spending plan and will work on preparing the final plan.

Meeting Goal

- The goal of the allotment meeting is to resolve any difference between the draft spending plan and the authorized spending authority.



DOCUMENTS SAFS WILL UTILIZE

Expenditure Authority Schedule

Budget Bill

Recommendation Summary

Copies of the central service model

Salary Projections

Preliminary estimates of fixed and discretionary costs



WHAT WE NEED FROM YOU

We need your help to know what is changing.

*The earlier we know,
the more we can incorporate in the
initial draft we bring to you.*



WHAT WE NEED FROM YOU

Examples of what we may need from you:

- Grant or contract award amounts
- Updated interagency agreements or leases
- Planned raises, new hires, and retirements
- Updated revenue estimates
- Changes due to legislative action or agency restructure
- Impacts of changes in your line of business, practices, or policies
- Unusual costs
- Equipment needs



YOU WILL HEAR FROM US

Over and Over and Over and Over...

Who?

Effective when?

For how long?

How much?

How many?



NEXT STEPS

SAFS will incorporate your input into the spending plan to create a final spending plan.

We will send your spending plan to you for review and approval.

Once final, SAFS will electronically submit the spending plan to OFM.



FY24 SUPPLEMENTAL BUDGET

FY24 supplemental budget requests will be due in late September or early October.

Submittals should focus on the following:

- Non-discretionary changes in legally-mandated caseloads or workloads
- Necessary technical corrections to the current enacted budgets
- Only the highest priority policy enhancements or resource reprogramming operations and transportation budget proposals
- High priority capital budget projects needed in addition to the enacted re-appropriation-only capital budget



OTHER OFM DATES & DEADLINES

Allotments – Early-August

Activity Inventory Changes – Mid-August

Agency Request Legislation – Mid-September
(submitted via BEARS system)

Supplemental FY24 Budget Request – Late September



BUDGET Q&A

Q: When will we have the 23-25 Decision Package form or will it be the same as prior years forms.

A: The form hasn't changed in years. If there is an update, we will see it with the OFM budget instructions released around mid-June.



BUDGET Q&A

Q: Who should I contact for small and attractive assets help?

A: Please contact your SAFS Financial Consultant / Budget Analyst.





BUDGET CONTACT INFO

Gwen McClanahan, Manager: gwen.mcclanahan@des.wa.gov 360-407-8132

Diann Lewallen, Financial Consultant: diann.lewallen@des.wa.gov 360-407-8121

Paul Bitar, Financial Consultant: paul.bitar@des.wa.gov 360-407-8129

Seth Flory, Financial Consultant: seth.flory@des.wa.gov 360-407-8165

Bret Skipworth, Financial Consultant: bret.skipworth@des.wa.gov 360-890-6657

BUDGET QUESTIONS?





Washington State Department of

Enterprise Services