

FISCAL YEAR-END 24 & 25-27 BIENNIAL BUDGET BUILD WORKSHOP

June 4, 2024

Small Agency Financial Services

ACCOUNTING CLOSE

PAYROLL, ACCOUNTS RECEIVABLE, & ACCOUNTS PAYABLE



PAYROLL SUMMARY

June 21: 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 FY25





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 22: 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 16: Interagency receivables balancing due



CASH RECEIPTS / AR ACCRUAL

If a July check is payment for a June service, an accrual will be entered in FY24.

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 FY24.





AR CONTACT INFO

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

Grace Yi, Fiscal Analyst: grace.yi@des.wa.gov 360-977-0684

Betti Bartoldo, SAFS AR Supervisor: betti.bartoldo@des.wa.gov 360-407-9332



ACCOUNTS PAYABLE SUMMARY

- **SAFS AP pays or accrues FY24 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 FY24 accruals throughout FY25**
- **SAFS AP monitors and reconciles accrual general ledgers**
- **And More!**



ACCOUNTS PAYABLE KEY DATES

June 20: deadline to submit invoices that need paid before June 30 (including petty cash replenishments)

June 27 & 28: invoices will not be processed for payment

June 28: cash cut-off

June 30: goods/services must be delivered/provided

July 26: deadline to submit all FY24 invoices and TEMS requests

August 2: deadline for payment of July US Bank Statements

August 2: deadline to submit completed accrual template



WHAT AP NEEDS FROM AGENCIES

- **Send in all FY24 as far in advance of the July 26th deadline as possible**
- **If FY24 invoices are not available by July 26th 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 28**

Payments will not be processed on Thursday, June 27 or Friday, June 28 due to cash cut-off

- Invoices that need to be paid by the end of June must be received in AP by **June 20**

Cash cut off will also affect how fund transfers are processed



PURCHASES

To use FY24 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: FY24 and FY25

Deadline for FY24 payment: **July 26th**

- 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: FY24 and FY25

Deadline for FY24 payment: **July 26th**

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

Timely Submissions: give yourself enough time to prepare, submit, and approve all requests in TEMS before July 26th

Pending reimbursements? Let us know!





US BANK STATEMENTS

Deadline for payment of July US Bank Statements:
August 2

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 FY24 money for invoices that have not been received or paid

Why is it important?

- If not accrued in FY24, will need to pay out of FY25 budget
 - Belated Claim process to pay out of FY25
 - Even if money was left in FY24, that money is lost if not accrued or paid in time



ACCRUAL DEADLINES

Who	What	When
SAFS AP	Send template to agencies	July 22 – 26
Agencies	Verify template and make necessary changes	July 22 – Aug 1
Agencies	Send all FY24 invoices available for payment Send completed template back to SAFS AP	July 26 August 2
SAFS AP	Review and upload templates Send notification to agencies once upload complete	August 5 – 16

Send all accrual correspondence to:

APquestions.safs@des.wa.gov



ACCRUAL TEMPLATE

Complete the form with as much info as possible, to the extent known or applicable to your agency

- Coding, vendor name, amount, invoice #, etc.

Mark **Yes** if an estimated amount, **No** if not

Include a reason for accrual: (i.e. not invoiced yet, waiting on vendor #, etc.)

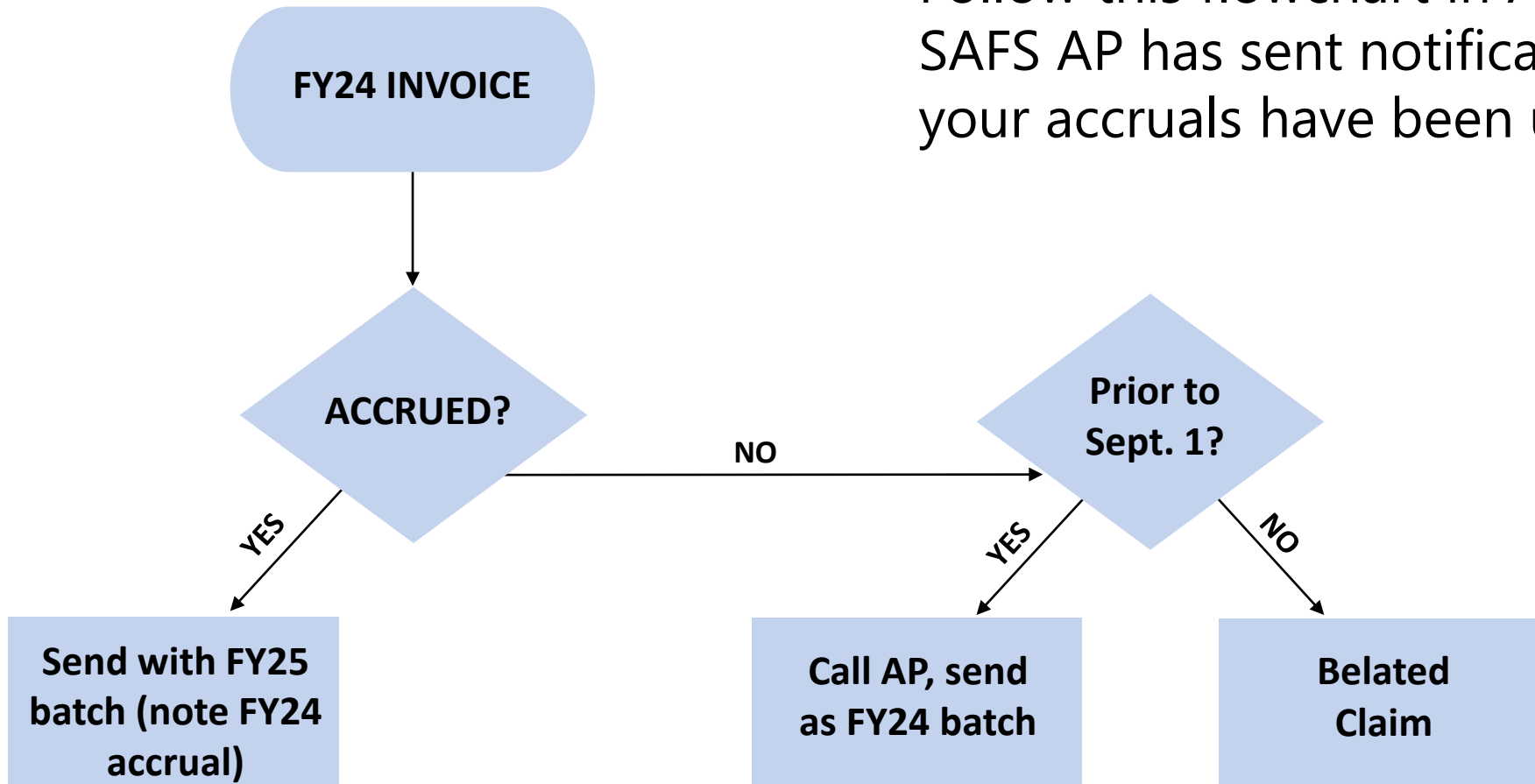
Request for Fiscal Year-End Expense Accrual

Name:		Instructions: Complete form with as much information as possible. Include any applicable supporting documentation (copies of invoices, contracts, quotes, etc.)							Email completed list to: APquestions.safs@des.wa.gov by August 2, 2024. Please include your agency number and the word "Accrual" in the email subject line. Call 360-407-8183 with questions.									
Phone:																		
Agency:																		
Vendor Name	Reason for Accrual	Estimated? Y/N	SWV Number	SWV Suffix	Master Index	Sub Objec	Sub-Sub Object	Amount	Invoice Number	Invoice Date	Account/Contract Number	Fund	Approp. Index	Program Index	Org. Index	Project	Sub Proj	Proj Phase



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, BUDGET BUILD,
& FISCAL YEAR 2025 SUPPLEMENTAL*



CAPITAL ASSETS OVERVIEW

Requirements for Capital Assets

- Capital Asset Management System (CAMS) or Facilities Portfolio Management Tool (FPMT).
- Capitalization criteria is outlined in SAAM Chapter 30.

Accounting for Capital Assets

- Agency Responsibilities
- SAFS Responsibilities

Small and Attractive Assets Inventories



CAPITAL ASSETS

Per SAAM 85.60.10, Any tangible or intangible assets held and used in state operations, which have a service life of more than one-year.

Capitalization criteria as 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 24 – Inform SAFS Financial Consultant of any added items during the period or any items that were disposed of.

What you can expect from us:

- By June 7 – 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

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



DISCLOSURE FORMS SUMMARY

In August, your SAFS Financial Consultant 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 18, 2024**
 - Federal due to OFM by **February 25, 2025**
- 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.

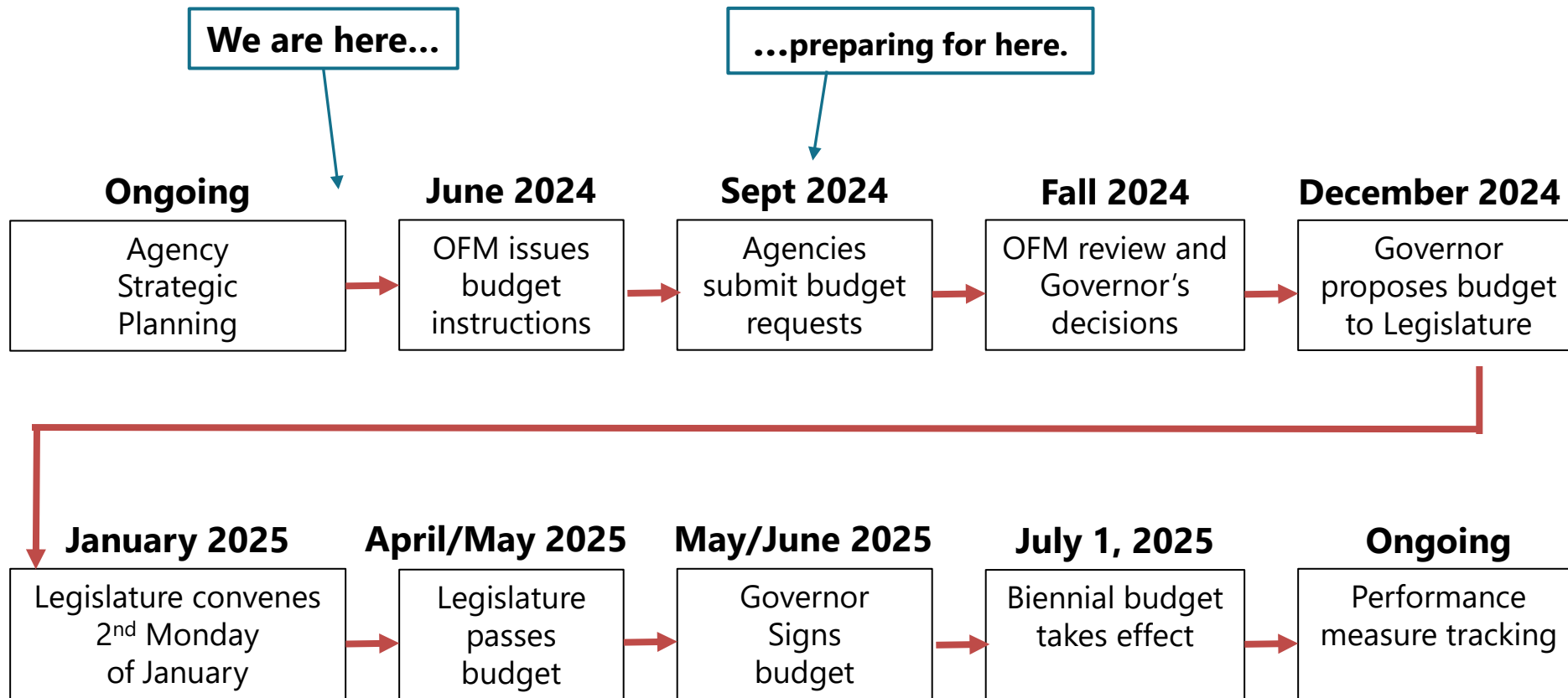


BUDGET BUILD

Preparing your 2025-27 Biennium Budget



WHERE ARE WE IN THE BUDGET PROCESS?





BASIC PROCESS – YOUR AGENCY

Plan – Begin planning your budget requests ASAP!

SAFS will meet with you in June or early July to provide help & answer questions

Draft – Draft a decision package narrative (July/early August)

Finalize – Finalize decision package narrative and provide to SAFS for review/feedback (mid-August)



BASIC PROCESS - SAFS

Review – Review decision packages and provide feedback.

Enter – Enter decision packages into the Agency Budget System.

Send – Prepare final documents and send to the agency for review and approval.

Submit – Electronically submit the budget request to OFM.





DECISION PACKAGES

What is a decision package?

A formal request to the governor's office and legislature for funding.

Decision packages include:

- Financial Information
- Justification for Request
- Expected Outcomes
- Alternatives Considered





DECISION PACKAGES

When is a decision package needed?

A DP is required for all incremental changes to the current biennial budget except for carry-forward level adjustments for previously funded items and some maintenance level adjustment to activities and revenue.





DECISION PACKAGES

OFM will rely upon this information when evaluating the request.

Remember that a decision package is never guaranteed as there are many agencies making many requests and there is rarely enough money to fund every DP.



INCREMENTAL BUDGETING

Carry Forward Level – A reference point created by calculating the updated cost of budget decisions previously made by the Legislature. Anything that is ongoing funding should be included.

Maintenance Level – Reflects the cost of maintaining the status quo. It includes things like rate changes and mandatory caseload or enrollment changes.



INCREMENTAL BUDGETING

Policy and Performance Level – These changes may represent revised strategies for achieving the agencies goals or substantial differences in program direction. It includes discretionary workload changes, new programs or services, or program reductions and other changes.





BUILDING A GOOD DECISION PACKAGE

Plain Talk – Use plain talk, be clear and complete.

Unbiased – Include unbiased, factual data with supporting examples and information.

Explain – Give an explanation of what will happen if request is or is not funded and anticipate questions.

Governor's Priorities – The best proposals link investments to goals and priorities (the governor's as well as yours).

Concise – The Recommendation Summary portion should be concise, compelling, and less than 100 words.



WHAT WE NEED FROM YOU

Narrative – Decision package narrative.

Priority – Identify priority of each decision package to be submitted.

Performance Measures – Impact of each decision package on performance measures.

Activities – What agency activity does the decision package relate to?

Prep Work – Some Decision Packages will need work up front:

- OCIO Investment Process
- Fee changes



WHAT WE NEED FROM YOU

Other Required Budget Submittal Components:

- Agency Head Transmittal Letter
- Agency Organization Chart
- Agency Strategic Plan
- Revenue estimates
- Federal funds estimates
- Fee Information
- Enterprise Risk Management Update



OFM BUDGET SUBMITTAL DEADLINES

OFM due date is September 10th

*DPs are due to SAFS about **two** weeks prior to deadline to allow time for review and submittal.*

If you need to adjust your due date for commission or board approval, please contact your SAFS budget analyst.



OTHER OFM DATES & DEADLINES

Carry Forward Level – May

Rate Day – June 17

Activity Inventory Changes – Mid-August

Update Agency Descriptions and Missions – Early
September

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



FY25 SUPPLEMENTAL BUDGET

FY25 supplemental budget requests will be due September 24th.

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





BUDGET CONTACT INFO

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BUDGET QUESTIONS?





Washington State Department of

Enterprise Services