

FISCAL YEAR-END 22 & 23-25 BIENNIAL BUDGET BUILD WORKSHOP

06.02.2022

Small Agency Financial Services

ACCOUNTING CLOSE

PAYROLL, ACCOUNTS RECEIVABLE, & ACCOUNTS PAYABLE



PAYROLL SUMMARY

June 24: 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 15: Deadline to submit invoicing information if DES prepares invoices for your agency

July 22: Deadline to mail internally prepared invoices and report receivable information to DES

August 19: Interagency receivables balancing due



CASH RECEIPTS / AR ACCRUAL

If a July check is payment for a June service, an accrual will be entered in FY22.

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 FY22.





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

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 5: deadline for payment of July US Bank Statements

August 5: deadline to submit completed accrual template

August 5: deadline to submit all FY22 invoices and TEMS requests



CASH CUT OFF

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

Payments will not be processed on Tuesday, June 29 or Wednesday, 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 affect how fund transfers are processed



PURCHASES

To use FY22 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
- 6/30 receipt date exception – COVID supplies, Vehicles, CI furniture, IT equipment that was ordered by April 15th



INVOICES

Split A45s between years: FY22 and FY23

Deadline for FY22 payment: **August 5**

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

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

- Reminder: 7-10 business days to process vendor forms
- New forms are located here: <https://ofm.wa.gov/it-systems/accounting-systems/statewide-vendorpayee-services>



TRAVEL

Split TEMS requests between years: FY22 and FY23

Deadline for FY22 payment: **August 5**

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

Timely Submissions: give yourself enough time to prepare, submit, and approve all requests in TEMS before **August 5**

Pending reimbursements? Let us know!



US BANK STATEMENTS

Deadline for payment of July US Bank Statements:
August 5

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 FY22 money for invoices that have not been received or paid

Why is it important?

- If not accrued in FY22, will need to pay out of FY23 budget
 - Belated Claim process to pay out of FY23
 - Even if money was left in FY22, that money is lost if not accrued or paid in time



ACCRUAL DEADLINES

Who	What	When
SAFS AP	Send template to agencies	July 25 – 29
Agencies	Verify template and make necessary changes	July 25 – Aug 4
Agencies	Send completed template back to SAFS AP Send all FY22 invoices available for payment	August 5
SAFS AP	Review and upload templates Send notification to agencies once upload complete	August 8 – 18

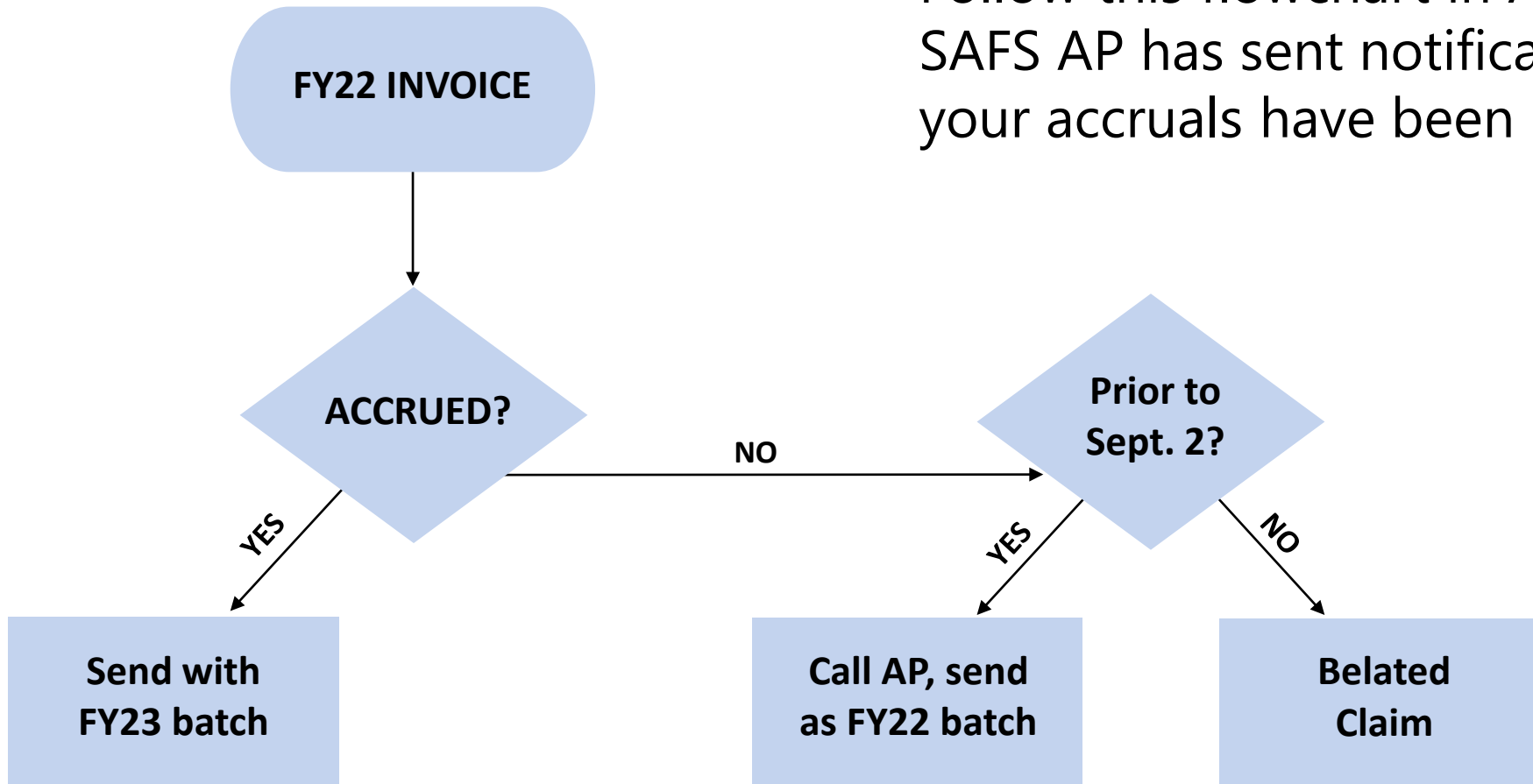
Send all accrual correspondence to:

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?



ACCOUNTING Q&A

Q: Can an FY22 invoice be submitted on an FY23 A45?

A: If the FY22 invoice has been accrued it should be submitted with an FY23 A45.



ACCOUNTING Q&A

Q: When an accrued FY22 invoice is submitted on an FY23 A45, how does AP know it's for FY22?

A:

1. Agencies can leave a note on the backup stating the invoice was accrued.
2. AP will verify goods received or service dates.
3. AP will monitor and check invoices against accruals.



ACCOUNTING Q&A

Q: Can I send in an invoice for June services after 6/30 to be recorded in FY22?

A: Yes, FY22 invoices can be paid & recorded in FY22 until August 5th. After August 5th any remaining FY22 invoices should be accrued.



BUDGET TOPICS

*CAPITAL ASSETS, DISCLOSURE FORMS, BUDGET BUILD, & FY 2023
SUPPLEMENTAL*



CAPITAL ASSETS SUMMARY

Capital assets must be recorded in Capital Asset Management System (CAMS).

- \$5,000 or more in value for a tangible asset
- \$1,000,000 or more in value for an intangible asset

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 22 – 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.

- \$5,000 or more in value for a tangible asset
- \$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).

What we need from you:

- By June 30 – Perform a physical inventory of items.
- By July 22 – 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 2) – A current list of your agency's capital assets.
- By July 29 – 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 14, 2022**
 - Federal due to OFM by **February 28, 2023**
- 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



BUDGET BUILD

Preparing your 2023-25 Biennium Budget



BASIC PROCESS – YOUR AGENCY

Plan – Begin planning your budget requests ASAP!

SAFS will meet with you in June or early July to provide assistance & 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

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.



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 isn't 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

We will contact you with a deadline.

*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.



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 inflation, rate changes, and mandatory caseload or enrollment changes.

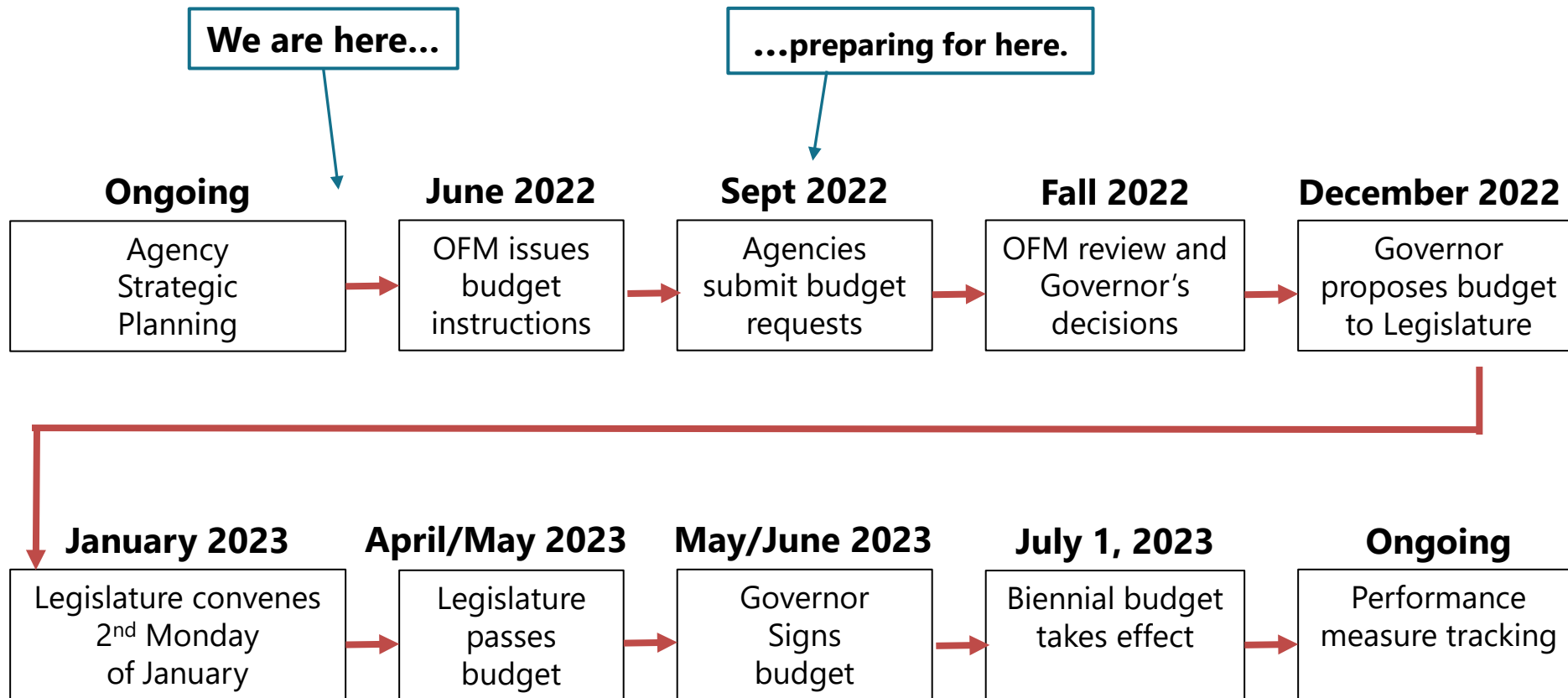


INCREMENTAL BUDGETING

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.



WHERE ARE WE IN THE BUDGET PROCESS?



FY23 SUPPLEMENTAL BUDGET

FY23 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

Carry Forward Level – early June

Rate Day – June 9

Activity Inventory Changes – Mid-August

Update Agency Descriptions and Missions – Early September

Agency Request Legislation – September 16 (submitted via new BEARS system)





BUDGET CONTACT INFO

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BUDGET QUESTIONS?



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: When will we get to review the CFL (carry forward level)?

A: Your Carry Forward Level is often sent to you directly from OFM. If you haven't seen it contact your SAFS financial consultant.



BUDGET Q&A

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

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





Washington State Department of

Enterprise Services