

## Small Agency Financial Services

The Department of Enterprise Services (DES) offers a variety of financial management services to agencies:

- Budgeting and financial management services
- Accounts payable services
- Invoicing, accounts receivable and cash receipts services
- Payroll services

The costs for providing these services are recovered through charges to user agencies.

## Customer Service Commitments

Our normal business hours are Monday-Friday from 8 a.m. to 5 p.m.

Enterprise Services will:

- Acknowledge agency telephone calls, emails and requests within one business day.
- Keep agencies updated on status of completion of request.
- Notify agencies of Enterprise Services staff changes and process improvements in advance.
- Notify agencies of budget and accounting deadlines and progress.
- Keep agencies informed of what is expected of/needed from them.

## Service Level Commitments

The following services will be provided to the agency as part of the standard rate.

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### **Budgeting and Financial Management Services**

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#### Budgeting

##### **Biennial and Supplemental Budget Development**

Enterprise Services will:

- Prepare any additional material to accompany the Office of Financial Management (OFM) budget instructions including:
  - Budget calendar.
  - Roles and responsibilities.
  - Orientation materials.

- Special instructions.
- Meet with agency management before the budget cycle begins to identify budget needs and issues.
- Assist and advise the agency as needed in developing budget document contents, such as:
  - Decision packages.
  - Staff cost analysis.
  - Performance measures.
  - Activity inventories.
- Prepare all budget documents and forms that Small Agency Financial Services (SAFS) is responsible for and review them with the agency.
- Release Budget Development System data to the OFM budget after the agency approves.
- Assist agency management in briefing OFM budget and legislative staff as needed.
- Assist agency in responding to questions from OFM budget, legislative staff, and legislators.
- Monitor legislative deliberations on the budget and advise the agency on the potential impact.
- Provide status reports.

### **Fiscal Note Preparation and Coordination**

Enterprise Services will:

- Assist in preparing fiscal notes as requested.
- Assist the agency in briefing OFM budget and legislative staff as needed.
- Assist the agency in responding to questions from OFM budget, legislative staff and legislators.

### **Allotment Preparation**

Enterprise Services will:

- Prepare any additional material to accompany the OFM allotment instructions, such as:
  - Allotment calendar.
  - Roles and responsibilities.
  - Special instructions.
- Provide the agency with control totals.
- Meet with the agency to discuss the desired allotment approach.
- Produce draft allotments for the agency's review.
- Prepare final allotments and send to OFM budget before the deadline.
- Adjust allotments when necessary throughout the year.

## Financial Reports and Analysis

Enterprise Services will:

- Send the following documents to the agencies after the close of each fiscal month:
  - A management report at the agency level.
  - Requested Enterprise Reporting report.
  - Notes that explain any unusual or significant components of the financial reports and errors not corrected prior to report production.
  - Expenditure trend analysis.
  - Analysis of any budget variances and proposed corrective action plans, if appropriate.
  - Involve OFM when actual or projected overspent appropriation situations arise and corrective actions plans cannot be agreed upon between Enterprise Services and the agency.
- Prepare reports in accordance with State Administrative and Accounting Manual (SAAM).
- Prepare additional reports as needed throughout the month.
- Act as the liaison for financial information and advisory services as needed.
- Meet with the agency at least quarterly (or more often if requested).

## Purchasing

Enterprise Services will:

- Prepare field orders and printing requisitions based on the receipt of written authorization from the agency specifying the type and quantity of supplies or equipment requested (including vendor name, address and phone number).
- Provide guidance and research related to purchases when requested.
- Assign field order numbers.

### ***How the agency can help Enterprise Services provide the service more efficiently and effectively:***

- Send written and signed authorization to prepare field orders and printing requisitions.
- Forward a copy of the purchase order to Enterprise Services accounting when an order is placed.
- Provide how the split should be made so the purchase can be accounted for correctly if the purchase cost is to be split among programs.

## Fixed Asset Accounting

Enterprise Services will:

- Enter and update asset account balances in the general ledger.
- Update the asset control system.
- Provide guidance on conducting an annual physical inventory of equipment.
- Work with the agency to reconcile the asset control system with the results of the physical inventory.
- Reconcile the asset control system with the accounting system.
- Record depreciation expenses.
- Provide guidance to the agency on fixed asset policies and asset protection measures.
- Provide the agency with property tags when requested.

***How the agency can help Enterprise Services provide the service more efficiently and effectively:***

- Notify Enterprise Services of all fixed asset purchases, disposals and transfers.
- Tag all fixed assets promptly.
- Provide Enterprise Services tag number and fixed asset information for input into the fixed asset system.

## Financial Reporting and Audit Requirements

Enterprise Services will:

- Prepare entries necessary to meet State Administrative and Accounting Manual (SAAM).
- Prepare Office of Minority and Women's Business Enterprises reporting.
- Maintain all accounting records for the agency.
- Work with the agency to maintain the Agency Financial Accounting System (AFRS) chart of accounts.
- Prepare year-end closing entries, including preparation of the OFM financial disclosure forms in accordance with the SAAM.
- Assist the agency as needed in responding to auditor questions.
- Archive the agency accounting records in our possession after they are audited.

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## **Accounts Payable Services**

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Enterprise Services will:

- Pay all invoices on time and in accordance with the SAAM (when received from the agency within seven working days of the due date).
- Ensure all possible discounts are taken.
- Ensure that all invoices will be included in that month's financial reports (when submitted to DES no later than five days prior to AFRS cut-off).
- Audit pay documents for adequate support, approvals and compliance with regulations.

- Prepare invoice vouchers, A-19s and journal vouchers.
- Input data into the accounting systems and verify the system output.
- Conduct prompt research and issue resolution with vendors (and the agency) to ensure the agency's accounts remain in good standing.
- Provide agencies with copies of warrant registers.
- Prepare and submit all Internal Revenue Service (IRS) 1099 reporting on time.
- Prepare and submit all tax reports on time.
- Prepare and submit all unclaimed property on time.
- Estimate and record monthly accruals.
- Notify the client of proposed changes to payment coding.
- Cancel and reissue payments.
- Clear In-Process reports weekly.
- Provide guidance on:
  - Pay document preparation and coding.
  - Travel regulations and requirements.
  - Service contract requirements.

***How the agency can help provide the service more efficiently and effectively:***

- Use systems and technology when available, such as:
  - Travel Expense Management System (TEMS).
  - Automated Clearing House (ACH)/Direct Deposit.
  - Downloading credit card statements.
  - Receipt of payment registers via daily emails.
  - Scanning and emailing information to Enterprise Services.
- Provide Enterprise Services all accounts payable items at least once a week (sending smaller batches more often rather than larger batches).
- Use the A-45 Agency Transmittal to list all payment documents being transmitted to prevent document loss.
- Ensure all proper authorizations are noted in accordance with the SAAM.
- Provide how the split should be made if the cost is to be split among programs.
- Notify DES in writing of any address changes related to commission or board travel vouchers.
- Send all accounts payable items for differing fiscal months on separate A-45 Agency Transmittals.
- Use credit card logs to record all purchase activity and submit with bill for payment.
- Provide blanket approval for reoccurring payments and leases.
- Participate in Lean process improvement workshops.

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## **Invoicing, Accounts Receivable and Cash Receipts Services**

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Enterprise Services will:

- Prepare invoices based on billing information provided by the agency.
- Send invoices to the customer (depending upon the agreement with agency).
- Prepare grant billings.
- Book accounts receivable in accordance with the SAAM.
- Process recovery of expenditures.
- Receipt and processing of all cash receipts.
- Prepare deposits for the state treasurer and local funds in accordance with the SAAM.
- Secure cash receipts waiver from the state Treasurer's Office on the agency's behalf.

***How the agency can help Enterprise Services provide the service more efficiently and effectively:***

- Use systems and technology when available such as:
  - Automated Billing System (ABS).
  - Scanning and emailing information to Enterprise Services.
- Submit all money received by the agency to Enterprise Services to ensure deposit in accordance with the SAAM or waiver agreement.
- Notify Enterprise Services of any Electronic Fund Transfers (EFTs) received.
- Provide documentation for coding the receipts.
- Perform all collection activities.
- Send all invoicing, accounts receivable and cash receipt items for differing fiscal months on separate A-45 Agency Transmittals.

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## **Payroll Services**

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Enterprise Services will:

- Process all personnel and payroll transactions in compliance with state and federal regulations such as:
  - New hires, terminations, separations, retirements, etc.
  - Pay increases.
  - Adjustments to hours worked.
  - Part-time employee hours.
  - Any other employer changes affecting net pay.
- Process authorized personnel and payroll transactions such as:
  - Overtime.
  - Board member pay.

- Taxable fringe benefits.
- Deduction changes.
- W-4s.
- Address changes.
- Input position expenditure coding into the Human Resources Management System (HRMS).
- Audit and maintain employee leave records and reports in Employee Self Service (ESS) and/or HRMS.
- Maintain payroll files as required by state retention schedule.
- Prepare and submit state and federal payroll reports.
- Process special pay warrants as necessary.
- Cancel and re-issue pay warrants, if needed.
- Reconcile payroll revolving account (035).
- Maintain accurate records with Department of Retirement Systems.
- Provide the agency with a copy of the payroll journal for the agency's review and signature. These should immediately be returned to Enterprise Services for retention.
- Provide the agency with the Attendance System Leave Report or the ESS leave report for each pay period within five days of publication.
- Generate and maintain all required payroll reports in accordance with the SAAM.
- Provide guidance, support and knowledge to the agency in regards to personnel, payroll and benefits such as:
  - Insurance and benefits.
  - Deduction options.
  - Leave policies.
- Respond to all inquiries of agency auditors (state auditor or certified public accounting firm) related to payroll, and make available all documents requested by agency's auditors.
- Enterprise Services is not responsible for unreasonable delays caused by the Federal mail service. We have a five day waiting period before we will cancel and re-issue a check lost in the mail.

***How the agency can help Enterprise Services provide the service more efficiently and effectively:***

- Provide document transmittal between the agency and Enterprise Services by mail, agency pickup, agency drop-off, fax or email.
- Ensure Enterprise Services receives all desired payroll and personnel changes no later than Day 1 of payroll processing. Review and return complete and appropriately signed payroll report documents to Enterprise Services no later than Day 1 of payroll processing.

## Performance Measures

Measure	Target	Description
Percent of Budgets Submitted to OFM On Time <b>*Annual Measure</b>	100%	Budget submittals are one of the most important documents that an agency prepares. In order to ensure a timely submittal, SAFS will adequately coordinate with client agencies ahead of the deadline. If a budget submittal is not on time to OFM, SAFS has not adequately coordinated with client agencies.
Percent of Allotments Submitted to OFM On Time <b>*Annual Measure</b>	100%	Budget allotments are an agency's expenditure plan for its biennial funding. SAFS will adequately coordinate with client agencies ahead of the deadline. If an allotment is not on time to OFM, SAFS has not adequately coordinated with client agencies.
Customer Satisfaction <b>*Annual Measure</b>	90% Overall Satisfaction	Measuring customer satisfaction is an important means to determining whether or not the reports provided by analysts are useful to an agency. If reports are not useful and quarterly meetings are unproductive, an agency will not be satisfied. While an annual survey will be conducted, quarterly client meetings are an excellent opportunity for course corrections if an agency is unhappy with its service.
Percent of Invoices Processed On-Time <b>*Quarterly Measure</b>	95%	Paying vendor invoices on time requires timely submittal by agencies and quick processing by SAFS accounts payable. The target set by SAAM is for invoices to be paid within 30 days of the invoice date.
Percent of Invoices paid on time when received within seven days of the due date	95%	While the overall goal is to pay invoices on time, timely payment is affected by both timeliness of receipt by SAFS and timely processing by SAFS. This measure focuses on SAFS performance by separating out the portion of the process that is not controlled by SAFS.
Substantive Error Rate in Work Products <b>*Quarterly Measure</b>	2%	SAFS processes a large number of products for agencies - from new hire paperwork, to invoices, to budgets. While we strive for perfection, we realize that occasional substantive errors may occur. SAFS commits to completing at least 98% of its work products without substantive errors.

## References / Tools / Links

OFM Quick Reference Guide – required agency internal policies, procedures, and/or documentation for capital assets, inventories, accounting, and other policies.

<http://www.ofm.wa.gov/resources/misc/MCQuickReferenceGuide.pdf>

SAAM Manual – minimum requirements that state agencies must meet pertaining to control and accountability over financial and administrative affairs of the state of Washington.

<http://www.ofm.wa.gov/policy/contents.asp>

Agency Director's Manual – a high level reference guide on accounting, budgeting, personnel and payroll, contracts and purchasing, ethics.

<http://www.des.wa.gov/SiteCollectionDocuments/HRPayroll/SACS/NADM2013.pdf>

Executive Assistant's Manual – details guide on operational processes.

<http://www.des.wa.gov/SiteCollectionDocuments/HRPayroll/SACS/EAManual8.2013.pdf>

## Service rates

Service	Rate	Description
Accounts Payable Services	Allocation based on accounts payable transactions	The budgeted costs related to payment processing and accounts payable will be allocated to customers based on their proportion of total payment transactions.
Invoicing, accounts receivable and cash receipts services	Allocation based on accounts receivable transactions	The budgeted costs related to invoicing and accounts receivable will be allocated to customers based on their proportion of total receivable transactions.
Budgeting and Financial Management Services	Allocation based on total budget (less cost of goods sold or pass through funds)	The budgeted costs related to general accounting and budget work will be allocated to customers based on the relative size of the agency budget compared to all customer agency budgets.
Payroll Services	Allocation based on FTEs	The budgeted costs related to payroll services will be allocated to customer agencies based on their proportion of total customer FTEs.

Customers will be billed monthly. At the end of the year, Enterprise Services will perform a reconciliation of budgeted service costs to reflect actual costs.

## How do I become a customer, or request a change in services received?

To become a new customer, to add services, or unsubscribe from Small Agency Financial Services, please contact both:

- Gwen McClanahan, Small Agency Financial Services Manager ([Gwen.McClanahan@des.wa.gov](mailto:Gwen.McClanahan@des.wa.gov) or (360) 407-8132)

and

- Your agency's assigned OFM budget analyst

We will arrange a joint consultation with you to confirm how best to ensure your financial services needs are met, to provide a rate estimate (if appropriate) and to develop a service transition plan (if needed).

## Contact information

To let us know if you feel these service commitments are not being met, or if you have questions, concerns or praise, please contact:

Gwen McClanahan, Small Agency Financial Services Manager at [Gwen.McClanahan@des.wa.gov](mailto:Gwen.McClanahan@des.wa.gov) or 407-8132

Annette Meyer, Chief Financial Officer at [Annette.Meyer@des.wa.gov](mailto:Annette.Meyer@des.wa.gov) or 407-9222