

# 25-27 BIENNIAL BUDGET ALLOTMENT WORKSHOP

June 26, 2025

*Small Agency Financial Services (SAFS)*



Washington State  
DEPARTMENT OF  
ENTERPRISE SERVICES

# BUDGET TOPICS

*CAPITAL ASSETS  
DISCLOSURE FORMS  
INTERNAL CONTROLS RISK ASSESSMENT  
ALLOTMENTS  
FY26 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:

- \$10,000 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/Budget Analyst of any added items during the period or any items that were disposed of.

## **What you can expect from us:**

- ASAP – 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 Financial Consultant / 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 17, 2025**
  - Federal due to OFM by **February 27, 2026**
- 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 form
- Internal Control/Internal Audit Questionnaire

## 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



# INTERNAL CONTROL DISCLOSURE

**Per SAAM chapter 20, agencies must designate an Internal Control Officer (ICO) who is tasked with completing an annual risk assessment.**

- Internal Controls Risk Assessment Questionnaire

Sample Risk Assessment Questionnaire  
OVERALL RISK ASSESSMENT

Risk Assessment Questionnaire – Summary

AGENCY:		
PREPARED BY:		DATE:

One of the following risk factors has been assigned to each of the categories identified in the **RISK TABLE** below:

HIGH RISK	Internal control evaluation required
MEDIUM RISK	Internal control evaluation recommended on a cyclical basis.
LOW RISK	Internal control evaluation not required.

- Inform your SAFS Financial Consultant / Budget Analyst of completion by August 4<sup>th</sup> for inclusion in disclosure forms.

# 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



# QUESTIONS?



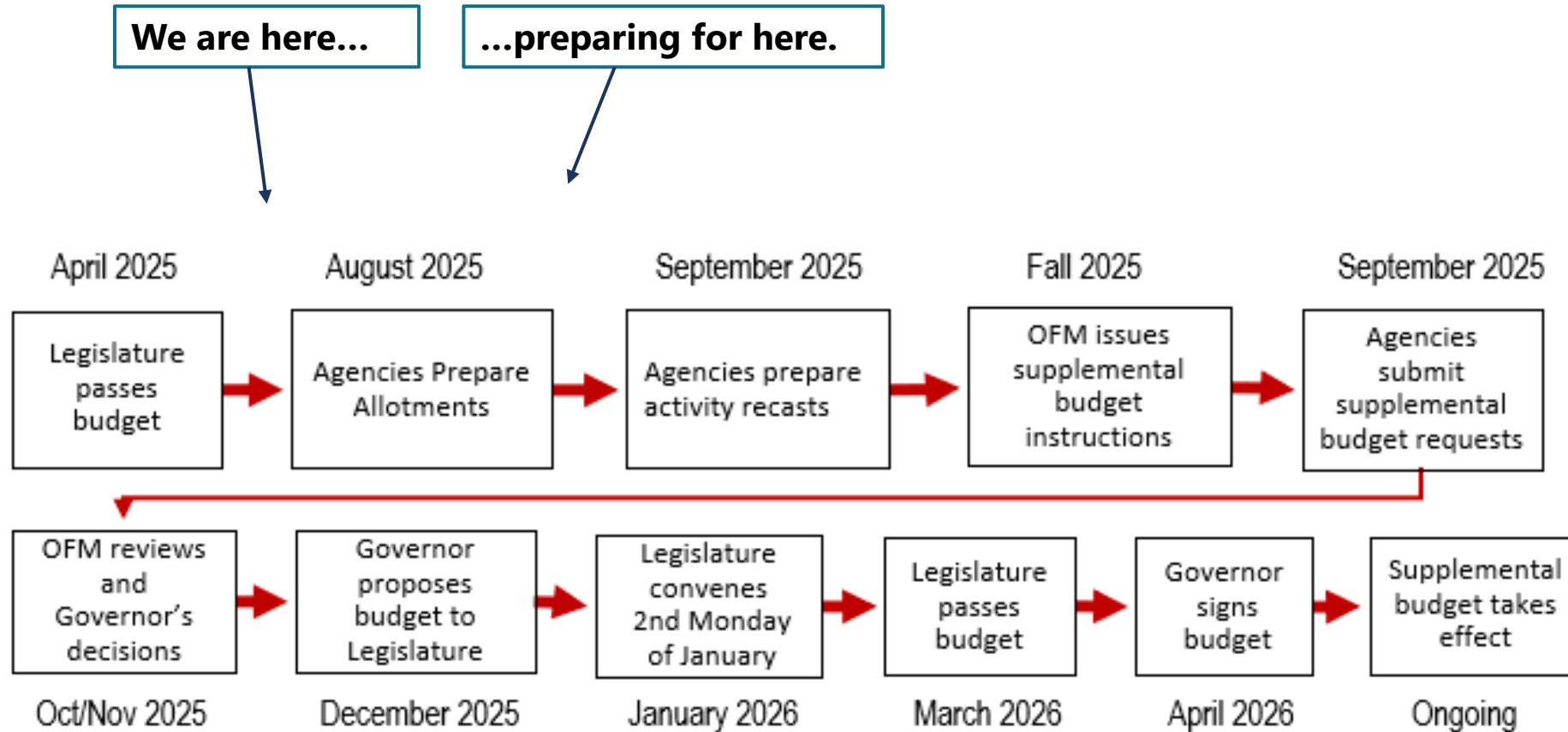
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# ALLOTMENTS

**Preparing your spending plan for the 2025-27 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
- General Wage Increases (GWI) and classified salary steps



# 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, <b>SSL Cert \$175/yr February?</b>
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 propose 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 and software 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.



# OFM DATES & DEADLINES

Allotments – Mid-August

Activity Inventory Changes – Mid-August or September

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

FY26 Supplemental Budget Request – September 15th





# FY26 SUPPLEMENTAL BUDGET

FY26 supplemental budget requests will be due September 15.

## **Submittals should focus on the following:**

- Non-discretionary changes in legally-mandated caseloads or workloads.
- Necessary technical corrections to the 25-27 enacted budget.
- Additions or reductions to federal or private/local funding for the remainder of the biennium.
- Critical or emergent costs that cannot be accommodated with savings or efficiencies in your existing budget.
- Additional options for efficiencies, reform, administrative savings, or reductions in non-essential services or programs.





# BUDGET CONTACT INFO

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# ANY QUESTIONS?



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