

FISCAL YEAR-END 19 & 2019-21 BUDGET ALLOTMENT WORKSHOP

June 5, 2019

Small Agency Financial Services



Washington State Department of
Enterprise Services



Washington State Department of
Enterprise Services

ACCOUNTING: Payroll, Revenue Management, & Accounts Payable

Presented by:

*Sarah Parker & Seth Flory
(Accounts Payable)*



Payroll

Important Dates

- June 25th – Donations for shared leave
- June 28th – Comp time cash out
- July 2nd – Payroll due
 - June 16th - 30th activity
 - Board/Commissioner stipends
 - Commute Trip Reduction (CTR)
- July 2nd – Cost coding for FY20



Cash Receipts

Important Dates

- June 28th – cash cut off
 - Checks dated June 30th and before will be recorded in FY19.
 - Checks dated July 1st and after will be recorded in FY20.
 - Send checks to MS 41465, c/o DES SAFS





DES Invoicing

Important Dates

- July 12th – For goods and services delivered by June 30th, submit invoice information to DES Finance for *invoice preparation*.
- DES will record and send your invoices to all agencies and colleges before July 19th.
 - Send to: financecashier@des.wa.gov or MS 41465



Agency Invoicing

Important Dates

- July 19th – For goods and services delivered by June 30th, issue your *agency prepared invoices* to state agencies and colleges.
- Submit invoice information to DES to be properly recorded in FY19.
 - Send to: financecashier@des.wa.gov or MS 41465



Cash Cut-off

- State Treasurer deadline for cash transactions: June 28th
- **Payments will not be processed on June 26th or 27th due to cash cut-off**
 - Invoices that need to be paid by the end of June must be received in AP by June 24th
- Cash cut off will affect how fund transfers are processed





Purchases

- To use FY19 funds, goods/services must be received by **June 30th**
- Identify correct fiscal year on backup related to when the goods were received or the dates of service
 - Goods: must be delivered on or before June 30th, 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: FY19 and FY20
- Deadline for FY19 payment: **July 31st**
 - Send to: payments.safs@des.wa.gov or MS 41465
- Be proactive: track down invoices, set up new vendors ASAP
 - 3 business days to set up new vendors in AFRS
 - 7-10 business days to set up EFT/direct deposit
 - 5-10 business days to update existing vendors





Travel

- Deadline for FY19 payment: **July 31st**
 - Send to: travel.safs@des.wa.gov or MS 41465
- Timely Submissions:
 - Give yourself enough time to prepare, submit, and approve all requests through TEMS before July 31st
- Pending reimbursements? Let us know!



US Bank Statements

- Deadline for payment of July US Bank Statement: **August 9th**
- 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 30th





Accruals

- What is an accrual?
 - Setting aside FY19 money for invoices that have not been received or paid
- Why is it important?
 - If not accrued in FY19, will need to pay out of FY20 budget
 - Belated Claim process to pay out of FY20
 - Even if money was left in FY19, that money is lost if not accrued or paid in time



Accrual Deadlines

All accrual correspondence to:
APquestions.safs@des.wa.gov

Who	What	When
SAFS AP	Send template to agencies	July 22-24
Agencies	Verify template and make necessary changes	July 22-30
Agencies	Send completed template back to SAFS AP Send all FY19 invoices available for payment	July 31
SAFS AP	Review and upload templates	August 1-14
	Send notification to agencies once upload complete	





Accrual Template

	E	F	G	H	I	L	M	N	O	P	Q	R	X	Y	Z	AB	AC	AD	AL
1																			
2	Request for Fiscal Year-End Expense Accrual																		
3	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 July 31, 2019 . Please include your agency number and the word "Accrual" in the email subject line. Call 360-407-8183 with questions.							
4	Phone:																		
5	Agency:																		
6																			
7	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	Project	Sub Proj	Proj Phase	
8																			
9																			
10																			
11																			
12																			
13																			
14																			
15																			

- Complete 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 number



Accrual Deadlines

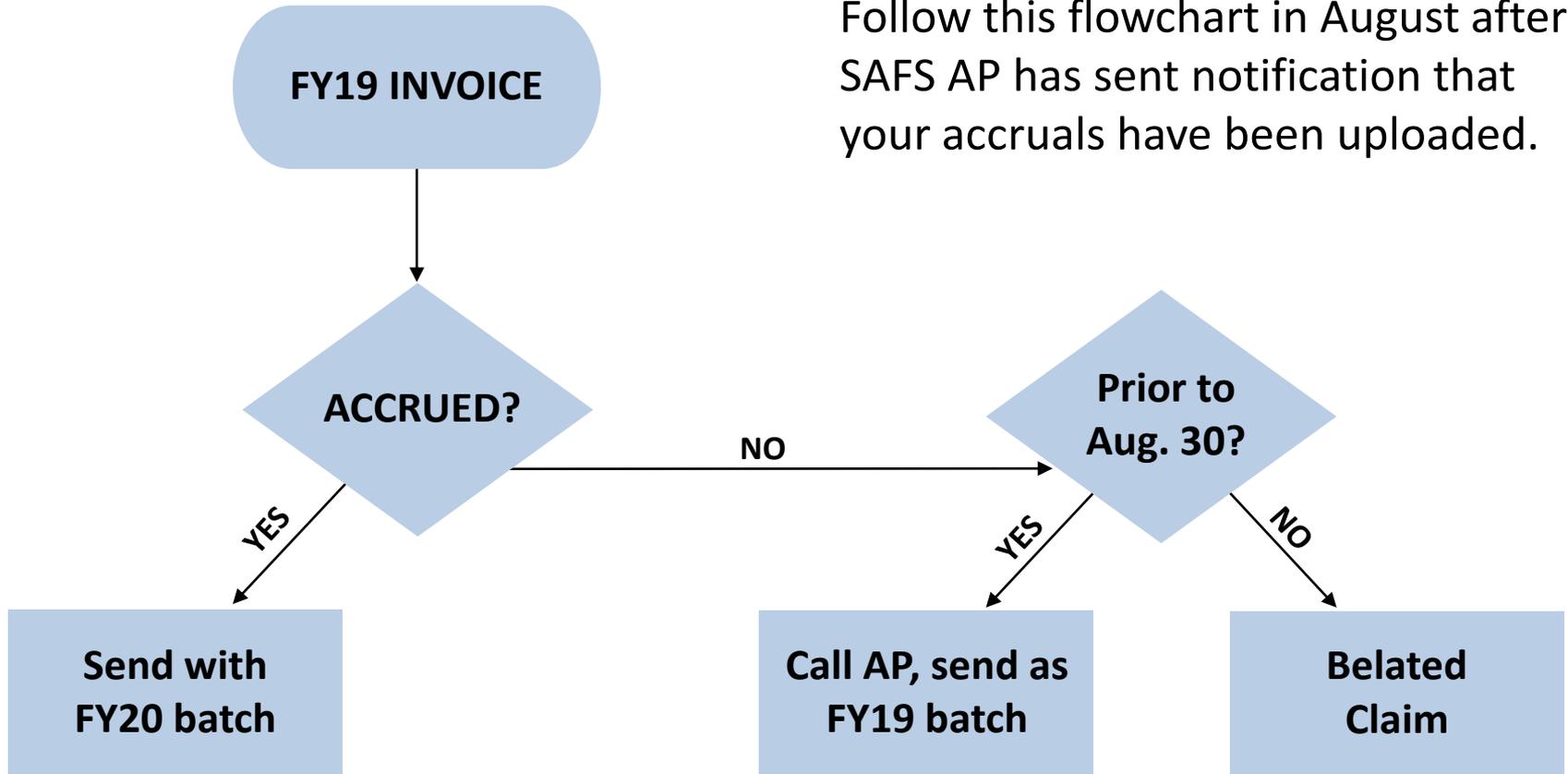
All accrual correspondence to:
APquestions.safs@des.wa.gov

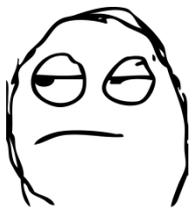
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Accrual Flowchart

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 payment and accrual cut-offs:
 - Talk to SAFS AP and your Financial Consultant
 - Must receive OFM approval to pay old year expenses with new year funds



Accounting Contact Information

- Accounts Payable:
 - APquestions.safs@des.wa.gov
 - 360.407.8183
- Revenue Management:
 - financecashier@des.wa.gov
 - 360.407.2237
- Payroll:
 - DESpayroll@des.wa.gov
 - 360.407.2239



Questions from the Audience

- How should we handle payments for conference registrations or flights/hotel stays in FY20 but need to be paid now?
 - SAFS AP keeps track of those expenses so we can record them in the proper period. When you send documentation for payment, please be sure to note the date of the conference if not otherwise notated on the invoice.



Matching Exercise

Is it FY19 or FY20??



Transmittal Matching

usbank Department of Staff
345 State Agency Road
Statement Date July 31 2018

Invoice

amazon Packing Slip

Order# 9876 Placed June 25

Attention: Wolf Blitzer

State Capital Street
Spokane WA, 98501

Description	Price	Deliver Date
Puppy Chew Toys	\$5,000	July 4
"Let the dogs Out?" - Tee Shirts	\$1,000	July 4
Total	\$6,000	



FORM A45 (1/96)  AGENCY TRANSMITTAL

A45 NO.	FY
	2019

INSTRUCTIONS: Use separate transmittal forms for each type of document being transmitted to DES Small Agency Financial Services. Indicate document type in space provided. Agency is to show item number, description and amount (where applicable) only.

FORM A45 (1/96)  AGENCY TRANSMITTAL

A45 NO.	FY
	2020

INSTRUCTIONS: Use separate transmittal forms for each type of document being transmitted to DES Small Agency Financial Services. Indicate document type in space provided. Agency is to show item number, description and amount (where applicable) only.



And the answer is...

Answer Key – FY19

FORM		AGENCY TRANSMITTAL	A45 NO.	FY	<u>DOC TYPE</u>	
A45 (1/98)			102	2019	X	PAYMENTS
INSTRUCTIONS: Use separate transmittal forms for each <u>type</u> of document being transmitted to DES Small Agency Financial Services. Indicate document type in space provided. Agency is to show item number, description and amount (where applicable) only.						ORDERS
						DEPOSITS
						PAYROLL
			DES USE ONLY			
ITEM	DESCRIPTION		AMOUNT	BATCH/JV NUMBER		DATE MAILED
1	Office Depot (item #2)		\$20,000.00			
2	Green Thumb Landscaping (item #3)		\$707.20			
3						
4						
5						

FORM		AGENCY TRANSMITTAL	A45 NO.	FY	<u>DOC TYPE</u>	
A45 (1/98)			23	2019		PAYMENTS
INSTRUCTIONS: Use separate transmittal forms for each <u>type</u> of document being transmitted to DES Small Agency Financial Services. Indicate document type in space provided. Agency is to show item number, description and amount (where applicable) only.					X	DEPOSITS
						ORDERS
						PAYROLL
			DES USE ONLY			
ITEM	DESCRIPTION		AMOUNT	BATCH/JV NUMBER		DATE MAILED
1	Piece of the Pie (item #5)		\$3,141.59			
2						



Answer Key – FY20

FORM		AGENCY TRANSMITTAL	A45 NO.	FY	<i>DOC TYPE</i>	
A45 (1/98)			46	2020	X	PAYMENTS
INSTRUCTIONS: Use separate transmittal forms for each <u>type</u> of document being transmitted to DES Small Agency Financial Services. Indicate document type in space provided. Agency is to show item number, description and amount (where applicable) only.						
						ORDERS
						DEPOSITS
						PAYROLL
					DES USE ONLY	
ITEM	DESCRIPTION		AMOUNT	BATCH/JV NUMBER	DATE MAILED	
1	Amazon (item #1)		\$6,000.00			
2	Cool Software Company (item #4)		\$2,176.00			
3						
4						
5						

FORM		AGENCY TRANSMITTAL	A45 NO.	FY	<i>DOC TYPE</i>	
A45 (1/98)			2	2020		X
INSTRUCTIONS: Use separate transmittal forms for each <u>type</u> of document being transmitted to DES Small Agency Financial Services. Indicate document type in space provided. Agency is to show item number, description and amount (where applicable) only.						
						PAYMENTS
						ORDERS
						PAYROLL
					DES USE ONLY	
ITEM	DESCRIPTION		AMOUNT	BATCH/JV NUMBER	DATE MAILED	
1	Services LLC (item #6)		\$122.22			
2						





Washington State Department of
Enterprise Services

***BUDGET: Capital Assets,
Disclosure Forms, Allotments,
& FY20 Supplemental Budget***

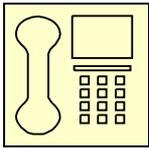
*Presented by: Paul Bitar
(Financial Consultant)*

Accounting for Capital Assets

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

- What we need from you:
 - By June 28th – Perform a physical inventory of items.
 - By July 22nd – Inform SAFS Financial Consultant of any added items during the period or any items that were disposed of.
- What you can expect from us:
 - Today (June 5th) – A current list of your agency's capital assets.
 - By July 31st – Input changes into CAMS to ensure proper reconciliation of General Ledgers for year end and disclosure reporting.





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



Small & Attractive Assets

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

- Generally consist of portable electronic equipment that has a high risk of loss.
- Do not include those items that meet 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 Disclosure

- Required state disclosure forms
 - Miscellaneous disclosure form
 - Financial disclosure certification form
 - Cash and investments restricted disclosure form
- Other common 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 Disclosure

- Required federal disclosure forms
 - 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





Finalize the Forms

What we need from you:

- August: Your SAFS Financial Consultant prepares the forms and will send these to you with a cover memo.
- Review the forms.
- Sign the state certification form
- Email your signed state certification form back to SAFS Financial Consultants by the **end of August**
 - State due to OFM by September 11th, 2019
 - Federal due to OFM by February 28th, 2020 – Financial Consultants will send closer to the February Due date for signature
- Provide any required supplemental information (i.e. summary of internal control deficiencies/corrective actions required by certification form).



Other OFM Deadlines

- Update Agency Descriptions – Mid-June
- Activity Inventory Changes – August 21st
- Agency Request Legislation – Mid-September

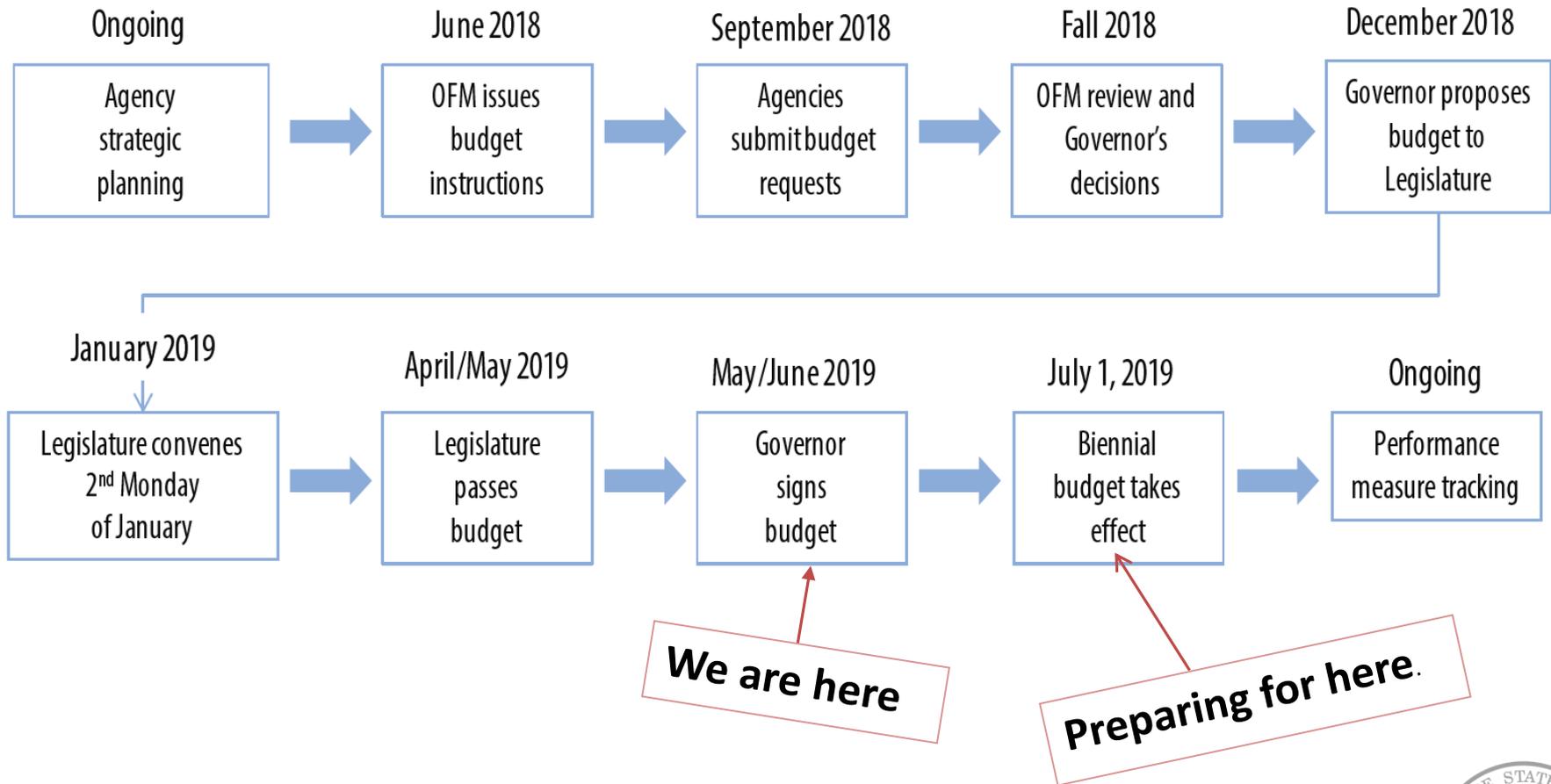


Allotments

Preparing your spending plan for the
2019-21 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 you where your spending flexibility may be.
- **Fixed Costs:** expenses that do not fluctuate and the agency is obligated to pay
- **Discretionary Costs:** costs that an agency can control



Example Spending Plan

Biennium 17-19						
FY 2019 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 (could be in person or over phone).
 - We will discuss the draft spending plan and will work on preparing the final plan.



Allotment 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 may Bring

- 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.*



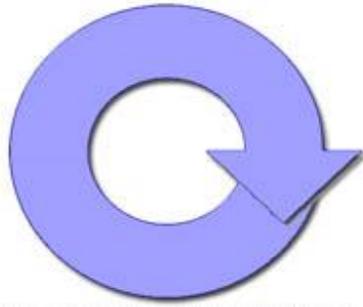
What We Need From You

- 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.



OFM Allotment Deadlines

- Allotments are due to OFM no later than August 15, 2019.
- *SAFS' internal deadline is about two weeks prior.*
- We will contact you with a deadline.
- If you need to adjust your due date for commission or board approval please contact your SAFS financial consultant.



FY20 Supplemental Budget

- FY20 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



Budget Contact Information

- Gwen – gwen.mcclanahan@des.wa.gov
- Kai – kai.matthews@des.wa.gov
- Paul – paul.bitar@des.wa.gov
- Chad – chad.johnson@des.wa.gov
- Diann – diann.lewallen@des.wa.gov



Questions from the Audience

- Should I prepare anything related to our agency's new spending plan before hearing from our DES Financial Consultant?
 - Yes. It is best practice to start gathering and preparing information before meeting with DES; the earlier, the better.
- In prior years there were multiple dates for allotments being due, what changed?
 - The allotment due dates are not staggered anymore because of the new budget system. The due date to OFM is August 15th, and DES will request a couple weeks prior to that.
- What specifically needs to be turned in on Aug 15?
 - The spending plan/allotments, not the strategic plan.
- What if our agency didn't receive a CAMS report at the workshop?
 - This means your agency does not have any assets in CAMS.

