

## ACCOUNTING

- Policy Number:** BP # 115
- Effective Date:** **Approved by the Eastern Washington State Historical Society (EWSHS) Board of Trustees on February 1, 2017.**
- Application:** Applies to all employees, board members, volunteers and contractors of the **EWSHS**.
- History:** This is a new Board Policy.
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### Article I PURPOSE

This Policy is being implemented consistent with the EWSHS's Executive Director's obligation to adopt procedures for handling Cash pursuant to Washington State Administrative and Accounting (SAAM) Manual: Policy 85.10.20.a Budgetary Accounting Requirements, including the approval of allotments of detailed plans of the scheduled revenues and expenditures authorized in the budget and the related cash receipts and disbursements.

### Article II POLICY STATEMENT

This policy contains requirements for recording budget transactions in the state's accounting records to reflect legislative operating and capital appropriations and expenditure authority, re-appropriations of capital appropriations, unanticipated receipts, allotments, expenditure allotments and reserves, estimated revenue allotments, and cash receipt and disbursement allotment after receiving approval from the Office of Financial Management (OFM) Budget Division.

### Article III REQUIRED PROCEDURES

#### A. Receipt Forms

1. **Format.** An agency's expenditure authority is provided by the Legislature through appropriations in a budget bill or inclusion of non-appropriated account moneys in the legislative budget system, and by the Governor and the Office of Financial Management (OFM) through allocations, approval of unanticipated receipts, or across-the-board spending reductions. An agency may not expend or obligate funds in excess of its expenditure authority.
2. **Use.** Allotments are detailed plans of the scheduled revenues and expenditures authorized in the budget and the related cash receipts and disbursements. An agency's actual spending will be monitored against the allotments by the agency, OFM, the Legislature, and the public. Allotments must:
  - i. Conform to the terms, limits, or conditions of Legislative appropriations.
  - ii. Serve as the agency's best estimate of the money it will spend and the revenue it will collect each month and year of the biennium.
  - iii. Provide the agency's best estimate of expected cash flows by month.

- #### B. Prudent Collection Processes.
- Agencies are encouraged to exercise prudent cash management in the handling of cash receipts. Agency receipting policies

should ensure the most efficient and timely collection possible and minimize the cost of collection. Agencies can use various receipt mechanisms to collect amounts due the state, including lock box, electronic fund transfers and, with approval from OFM, credit and debit cards. Refer to OFM Chapter 40.

- C. **Due from Other Agencies.** Agencies supplying goods and services to other agencies are to establish procedures for the timely billing to other agencies for such goods and services provided, and for the timely recording of these receivables and accrued revenues.
1. Billings are to include enough information to provide for maintenance of subsidiary ledgers in accordance with Subsection 85.54.65.
  2. Billings are to be prepared on a regular basis, at least quarterly, except for instances where a written contract or regulation requires a different schedule.
  3. Billings are to incorporate sufficient detail to adequately document the goods or services provided. Source documentation should be retained by the billing agency and be available, upon request, for review by the billed agency.
- D. **Receivable Collection Procedures.** Written procedures are to be developed and followed to ensure that past due receivables are followed up promptly and in a manner that is cost-effective for the overall collection program. These procedures are to provide for the full range of collection procedures to be used as appropriate, including issuance of statements and dunning letters, phone and personal interviews, filing of suits and liens, referral to private collection agencies or letter services, etc. Agencies that do not have special statutory collection authority or specialized collection operations are encouraged to use collection agencies after receivables become 90 days past due.
1. Accounts receivable records may contain personal information about citizens.
    - i. Privacy Notice: Safeguarding and disposition of personal information must be consistent with Executive Order 16-01, January 5, 2016; OCIO Policy 141; and RCW 42.56.210.
- E. **Uncollectible Receivables.** Interest of one percent per month is to be charged on past due receivables in accordance with RCW 43.17.240, except when one of the following conditions are met:
1. Charging interest conflicts with the provisions of a contract or with any other law
  2. The debt is to be paid by other governmental unit.
  3. The debt became due prior to July 28, 1991.
  4. Interest is waived based upon rules adopted by OFM found at Chapter 82-06 WAC describing the conditions under which interest may be waived on past due receivables.
- F. **Documentation.**
1. **Adjustments of receivables.** Any adjustment increasing or decreasing the amount of receivables carried on the books of an agency is to be supported by a revised billing document, a credit memorandum, or other appropriate documentation. Written procedures are to be developed and followed to ensure that only authorized adjustments are recorded.
  2. **Records retention for write offs.** The records regarding uncollectible accounts are subject to retention, archival, and destruction according to the applicable statutes and the agency's records retention policies.

**References that apply to this policy**

SAAM Manual: Policy 85.10.20.a	Executive Order 16-01
OFM Chapter 40	OCIO Policy 141
Subsection 85.54.65	RCW 42.56.210
RCW 43.17.240	WAC 82-06