

ACCOUNTING

- Policy Number:** FIN-102
- Effective Date:** Approved by the Eastern Washington State Historical Society (EWSHS) Board of Trustees on May 5, 2021.
- Application:** Applies to all employees, board members, volunteers and contractors of the EWSHS.
- History:** This policy updates and renumbers BP #115 dated February 1, 2017.
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Article I PURPOSE

1.1 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

2.1 This policy details requirements for recording budget transactions in the state's accounting records to reflect legislative operating and capital appropriations and expenditure authority (original and supplemental), 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

3.1 Budgetary Accounting Requirements

3.1.1 EWSHS'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. The EWSHS may not expend or obligate funds in excess of its expenditure authority.

3.1.2 Allotments are detailed plans of the scheduled revenues and expenditures authorized in the budget and the related cash receipts and disbursements. The EWSHS's actual spending will be monitored against the allotments by the agency, OFM, the Legislature, and the public. Allotments must:

- 3.1.2.1 Conform to the terms, limits, or conditions of Legislative appropriations.
- 3.1.2.2 Serve as the EWSHS's best estimate of the money it will spend and the revenue it will collect each month and year of the biennium.
- 3.1.2.3 Provide the EWSHS's best estimate of expected cash flows by month.

3.2 Prudent Collection Processes. Agencies are encouraged to exercise prudent cash management in the handling of cash receipts. EWSHS 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.

3.3 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.

- 3.3.1 Billings shall include enough information to provide for maintenance of subsidiary ledgers in accordance with Subsection 85.54.65.
- 3.3.2 Billings shall be prepared on a regular basis, at least quarterly, except for instances where a written contract or regulation requires a different schedule.
- 3.3.3 Billings shall 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.

3.4 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. The EWSHS shall employ the services of a collection agency after receivables become 90 days past due.

- 3.4.1 Accounts receivable records may contain personal information about citizens.
- 3.4.2 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.

3.5 Interest. 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:

- 3.5.1 Charging interest conflicts with the provisions of a contract or with any other law
- 3.5.2 The debt is to be paid by another governmental unit.
- 3.5.3 The debt became due prior to July 28, 1991.
- 3.5.4 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.

3.6 Documentation. Transactions affecting receivables are to be supported by documents indicating all pertinent information relating to the transactions. Detailed postings of these documents are to be recorded and maintained in the subsidiary ledgers for all outstanding receivables. Detailed postings are to be summarized and entered in the general ledger control account. Typical transactions affecting receivables include the following:

- 3.6.1 Establishment of receivables.** Sequentially numbered billing documents (invoices) are to be used. Upon completion of transactions, invoices are to be

prepared and sent to debtors. Invoices are to contain at a minimum: a description of the goods or services provided; the date(s) provided; the amount of the debt; and the invoice due date. Files of these documents are to be maintained by the agency. These files are to include a means of sequentially accounting for billing documents.

- 3.6.2 Recording of receipts.** Daily receipts applicable to receivables are to be entered in detail to a daily cash record. Detail listings are to support summary totals. The detail is to disclose the name of the payee or account number, amount received, invoice number if available, mode of payment, and check number if applicable.
- 3.6.3 Adjustments of receivables.** Any adjustment increasing or decreasing the amount of receivables carried on the books of the EWSHS 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.
- 3.6.4 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.
- 3.6.5 Valuation of receivables.** Valuation of receivables using the allowance method is to be made at least quarterly and at fiscal year-end to reflect the amount of receivable balances estimated to be collectible. This transaction is to be documented by means of a Journal Voucher (A7). Refer to Subsection [85.65.32.b and c](#) for illustrative entries.
- 3.6.6 Collection efforts.** A written record is to be kept, by account, on collection efforts. However, general system documentation may support billing and past due notices produced by automated systems.
- 3.6.7 Write-offs of uncollectible receivables.** For accounting and financial reporting purposes, write-offs of uncollectible receivables are to be made against the appropriate allowance accounts (GL Code Series 134X or Series 164X). Transactions are to be documented by means of Journal Vouchers (A7). Refer to Subsection [85.65.32.d](#) for an illustrative entry. The name of the debtor, the date of inception of the account, and the amount of the account being written-off are to be part of the supporting documentation for the Journal Voucher (A7).
- 3.6.8 Records retention for write offs.** The records regarding uncollectible accounts are subject to retention, archival, and destruction according to the applicable statutes and the EWSHS's records retention policies.

References that apply to this policy

SAAM Chapter 85.10.20.a	Executive Order 16-01
SAAM Chapter 40	OCIO Policy 141
SAAM Chapter 85.54.65	RCW 42.56.210
SAAM Chapter 85.20.20	WAC 82-06
RCW 43.17.240	