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.

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

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<thead>
<tr>
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