

<b>OREGON ACCOUNTING MANUAL</b>	
<b>Subject:</b> Accounting and Financial Reporting	<b>Number:</b> 01.05.00
<b>Division:</b> Chief Financial Office	<b>Effective date:</b> January 22, 2018
<b>Chapter:</b> Introduction	
<b>Part:</b> Scope and Applicability	
<b>Section:</b>	
<b>Approved:</b> George Naughton, Chief Financial Officer	Signature on file

**PURPOSE:** This policy provides the scope and applicability of the Oregon Accounting Manual.

**AUTHORITY:** **ORS 291.015**  
**ORS 291.040**  
**ORS 293.590**  
**ORS 293.600**

**APPLICABILITY:** This policy applies to all state agencies included in the State’s annual financial statements, except for those agencies specifically exempted by as noted in the paragraphs below.

**POLICY:**

**Purpose and Scope of the Oregon Accounting Manual**

- .101 In Chapter 291 and 293 of the Oregon Revised Statutes (ORS), the Department of Administrative Services (DAS) is charged with directing and controlling the accounting of state government fiscal operations. DAS is responsible for establishing and maintaining systems of accounting for state government and for prescribing the principles, standards, and requirements of those systems to be used by state agencies. Many controls are directly built in to the Statewide Financial Management Application (SFMA) and Oregon Statewide Payroll Application (OSPA) operated by the DAS Enterprise Goods and Services (EGS) Division. The Oregon Accounting Manual (OAM) provides a comprehensive set of policies and procedures to assist state fiscal managers with analyzing, processing, and reporting financial transactions in accordance with generally accepted accounting principles (GAAP), federal regulations, and Internal Revenue Service (IRS) requirements. The Office of the Chief Financial Officer (CFO) at DAS establishes statewide policies in the OAM primarily to:
- a. Ensure consistency in the application of generally accepted accounting principles;
  - b. Provide guidance for agencies to establish and monitor sound internal controls to protect the state’s assets;
  - c. Support the coordination of accurate financial reporting and adequate financial disclosure;

- d. Promote compliance with applicable state statutes and certain federal regulations;
  - e. Provide guidance on the proper use of SFMA and OSPA; and
  - f. Promote efficient financial management through the provision of useful reference materials and standardized forms.
- .102 Each agency head is responsible to ensure compliance with state statutes applicable to the agency. The OAM does not, and is not intended to, describe or duplicate the requirements of all state statutes of a fiscal nature.
- .103 When agencies develop internal procedures to implement standards or guidelines contained in the OAM, those procedures should be consistent with OAM provisions. Agencies may, at their discretion, adopt procedures that are more restrictive than the requirements of the OAM.
- .104 If any provisions of OAM policies or procedures conflict with bargaining agreements, the provisions of bargaining agreements would supersede OAM guidance.

### **State Agencies Subject to Oregon Accounting Manual Provisions**

- .105 As used in ORS 291.015 (defined in ORS 291.002), “state agency” means every state officer, board, commission, department, institution, branch or agency of state government whose costs are paid wholly or in part from funds held in the State Treasury (including funds held in trust by an agency), except the Legislative Assembly, the courts and their officers and committees, the Public Defense Services Commission, the Secretary of State, and the State Treasurer. Thus, this definition serves to indicate that the Legislative Assembly, the courts and their officers and committees, the Public Defense Services Commission, the Secretary of State, and the State Treasurer are exempt from the provisions of the OAM. Furthermore, ORS 293.590, which charges DAS with directing and controlling the accounting of state government, is applicable to the Legislative Assembly, the courts and their officers and committees, the Public Defense Services Commission, the Secretary of State, and the State Treasurer only at their option.
- .106 The provisions of the OAM are not applicable to public universities with governing boards (University of Oregon, Oregon State University, Portland State University, Western Oregon University, Southern Oregon University, Eastern Oregon University, and Oregon Institute of Technology), which are component units of the State, as per ORS 352.138.
- .107 The provisions of the OAM are not applicable to the Oregon Health and Science University (OHSU), a component unit of the State, as per ORS 353.100.
- .108 The provisions of the OAM are not applicable to the State Accident Insurance Fund Corporation (SAIF Corporation), a component unit of the State, as per ORS 656.753.
- .109 The Travel Information Council is not subject to the provisions of the OAM, as per ORS 377.836.
- .110 The Commodity Commissions are not subject to the provisions of the OAM, as per ORS 576.311.
- .111 The Oregon Film and Video Office is not subject to the provisions of the OAM, as per ORS 284.375.
- .112 The Oregon Tourism Commission is not subject to the provisions of the OAM, as per ORS 284.118.
- .113 Oregon Corrections Enterprises is not subject to the provisions of the OAM, as per ORS 421.352.

- .114 The State Fair Council, a component unit of the State, is not subject to the provisions of the OAM, as per ORS 565.456.
- .115 Semi-independent state agencies that are not part of the State's reporting entity (meaning, are not required to be included in the State's annual financial statements) are not subject to the provisions of the OAM, as per ORS 182.460.
- .116 The Oregon Utility Notification Center is not subject to the provisions of the OAM, as per ORS 757.552
- .117 Agencies that are exempt from the provisions of the OAM, but are included in the State's reporting entity (meaning, are required to be included in the State's annual financial statements), are responsible to follow applicable IRS requirements and federal regulations as well as maintain accurate accounting records in accordance with generally accepted accounting principles to allow Statewide Accounting and Reporting Services (SARS) to complete the annual financial reports of the State of Oregon. Such agencies are required to submit annual financial reports and disclosure information as requested by SARS.
- .118 Agencies that are not subject to the provisions of the OAM, as noted in this policy, are nevertheless responsible to follow specific state statutes and federal regulations applicable to them.
- .119 Unless specifically exempted by statute (either in general or for specific topic areas within the OAM), all other state agencies not noted in paragraph .105 through .116 above must follow the provisions of the OAM.

**Exceptions to Oregon Accounting Manual Policies**

- .120 Unless otherwise noted in a specific OAM policy or procedure, any requests for exception to OAM policies should be directed (in writing) to the State Chief Financial Officer. Policy exceptions will be considered on a case-by-case basis. Approved exceptions should be kept on file by the agency for documentation and audit purposes. Exception requests must include the following:
  - a. The specific OAM policy number(s) and paragraph(s) the request applies to;
  - b. Justification of the reason(s) for the exception; and
  - c. Length of time the exception would be necessary.
- .121 From time to time, OAM policies may be temporarily superseded by Governor's Executive Orders or directives that are implemented on a statewide basis (e.g., temporary restrictions on non-travel business meals).