

LOCAL GOVERNMENT ADVISORY COMMITTEE BYLAWS

December 2020

Statement of Purpose

The Local Government Advisory Committee (Committee) takes a lead role in setting statewide financial policies, including accounting, budgeting, and financial reporting.

The Committee may make recommendations to the Legislature and respond when lawmakers change policies that affect the Budgeting, Accounting and Reporting System (BARS) prescription.

The Committee and its task forces review state and federal legislation and proposed statements and implementation guides of the Governmental Accounting Standards Board (GASB) that affect BARS prescription. GASB is the primary authority that determines Generally Accepted Accounting Principles (GAAP) for state and local governments.

The Committee also advises the State Auditor's Office (SAO) on issues relating to the prescription of a uniform financial reporting system for local governments. Members of the Committee are appointed by the organizations listed in the Committee Membership section.

Process and Calendar for the BARS Manuals

Committee members work to achieve an appropriate and effective financial information structure for local governments. SAO generally implements updates to the BARS Manuals around January 1 each year. Updates may occur during the year if required by state or federal legislation, immediate implementation of accounting and reporting standards, or to provide clarification to existing prescription.

SAO will provide a list of suggested and required BARS updates to the Committee for discussion and review at its spring meeting, for updates that are to take effect around the beginning of the next year

The Committee may recommend updates to the annual list, such as earlier implementation of approved suggested or required BARS Manual updates or additional BARS Manual guidance on a specific topic.

The Committee may approve, via a majority vote of the members voting, a recommendation to delay implementation of only a suggested BARS Manual update. Implementation of required BARS Manual updates may not be delayed by Committee vote.

At its fall meeting, the Committee reviews the final BARS updates.

BARS Manual Updates

Local governments, SAO and other user groups can suggest updates to the BARS Manuals. These suggestions will be brought to the Committee for review with SAO representatives for applicability to the BARS Manuals' purpose. The Committee will approve appropriate suggestions for research and review of potential BARS Manual updates via a majority of the members voting.

Updates to the BARS Manuals required by state and federal legislative action and approved GASB pronouncements, as well as accounting and reporting requirements for cash-basis governments to maintain comparability in government reporting, will be included in the annual list of BARS Manual updates, as discussed below.

SAO will provide the technical support and research, and present recommendations, for the BARS Manual updates for discussion at each Committee meeting. The Committee will review suggested updates for approval, and required updates for accuracy and completeness. The Committee will approve the recommendation to SAO to move forward with the updates by a simple majority vote. Updates will be added to the annual list of BARS Manual updates and included in the next scheduled BARS Manual update, unless otherwise required for an earlier or later update.

LOCAL GOVERNMENT ADVISORY COMMITTEE MEMBERSHIP: MEMBERS, NOMINATIONS, APPOINTMENTS, AND TERMS

Members Representing Organizations

The organizations and number of representatives as of January 1, 2021 are as follows:

| Number of members | Nominated by: |
|-------------------|---|
| 1 | SAO - State Auditor's Office (chair) |
| 2 | AWC - Association of Washington Cities |
| 1 | CRAB - County Road Administration Board |
| 1 | LEAP - Legislative, Evaluation, Accountability Program |
| 1 | OFM - Office of Financial Management |
| 2 | WACO - Washington Association of County Officials |
| 1 | WCMA - Washington City/County Managers Association |
| 3 | WFOA - Washington Finance Officers Association |
| 1 | WPTA - Washington Public Treasurers Association |
| 1 | WSAC - Washington State Association of Counties |
| 1 | AWPHD - Association of WA Public Hospital Districts |
| 1 | ESD - Educational Service Districts |
| 1 | Fire Chief Association/Fire Commissioners Association |
| 1 | PSFOA - Puget Sound Finance Officers Association. |
| 1 | SCCFOA - Snohomish Co. Clerks & Finance Officers Association. |
| 1 | SWFOA - Southwest Washington Finance Officers Association. |
| 1 | WASWD - Washington Sewer and Water Districts Association |
| 1 | WHAAP - WA Housing Authorities Accounting Prof/Assoc of WA Housing Authorities |
| 1 | WPPA - Washington Public Port Association |
| 1 | WPUA - Washington Public Utility Districts Association. |
| 1 | WSTA - Washington State Transits Association |

Note: Bolded organizations are new additions to the Committee.

Appointments

Appointments to the Committee will be made by the State Auditor upon receipt of an organization's nomination.

Nominations

The Committee Chair will notify the applicable organization of a vacant position. A nomination for the vacant position must be submitted in writing to the Committee Chair. The nomination will be reviewed to ensure the nominee is within the member term limits established below and forwarded to the State Auditor for appointment.

Vacancies

Vacancies occur when: a member reaches their term limit, fails to attend Committee meetings, or leaves the employment represented by the nominating organization; an organization requests removal of their member; or by the member's request to leave the Committee.

Members' Terms and Term Limits

The term will be for three years, and members are eligible for renomination. Members may serve two consecutive terms, totaling six years. The State Auditor may approve one additional term based on the organization's request. After a term off, members may be renominated and may again serve two terms.

Effective 2021

Initial implementation of the reduced member seats for WACO and WFOA: The Committee Chair will evaluate the remaining term limits of the organization's active members and allow for the reduced positions to remain on the Committee until their term is complete.

Initial implementation of the new positions for associations added to the Committee (ESD, Fire, PSFOA, SCCFOA, SWFOA, WASWA, WPPA, WPUDA, WSTA): The Committee Chair will evaluate the new positions for a 3-year or one time 4-year term to smooth the term end dates for continuity of the Committee in future years.

The following organizations are exempt from term limits — SAO, Office of Financial Management, Legislative Evaluation Accountability Program, and County Road Administrative Board. These organizations are exempt due to the nature of their membership and/or size of their organizations.

Membership and Attendance Requirements

Membership requirements include current employment at a state or local government. If a member changes employment, the nominating organization must reconfirm the member's committee appointment or nominate a new member.

The following will appoint a representative from their organization — Legislative Evaluation Accountability Program, County Road Administrative Board, and Association of Washington Cities.

Members may attend either in person or virtually (video conference, teleconference, etc.). Attendance is taken at each meeting via physical sign-in sheets, roll call, or some other appropriate method. Members must notify the committee chair before a scheduled meeting if they will be absent. The nominating organization for the absent member may appoint a substitute to attend the meeting. The appointed substitute may vote on presented topics during the meeting.

If a member fails to attend two consecutive meetings without proper notification to the Committee Chair, the nominating organization will be contacted. If a nominating organization wishes to nominate a new person to replace a Committee member who, in its opinion, no longer represents that organization, it may do so. The organization should notify the individual it wishes to replace in writing, including the reason(s) for removal, and send a copy of the notification to SAO.

Members are expected to participate on the Committee by their meeting attendance, voting, and sharing information regarding the effects of accounting and reporting changes on their nominating organization membership.

Committee Operation

The Committee is chaired by the SAO representative. Decisions and approved recommendations will be made by a majority vote of the members voting. When a vote is taken, any member may vote or abstain as he/she sees appropriate. Abstained voting will not be counted as a cast vote, thus not affecting majority vote calculations.

The chair may vote only in the event of a tie.

The committee may delegate certain projects to task forces that may include noncommittee members. It is expected that much of the technical work to carry out the purpose of the Committee will be done by task forces. The Committee must provide clear expectations of the project to the taskforces. A chairperson for each task force will be an SAO employee. The SAO employee will be responsible for promptly communicating updates to the Committee.

Committee Projects

Each item for consideration by the Committee should be stated in writing by members or nonmembers as follows:

- Problem statement
- Solution sought
- Rationale for change
- Expected deadlines

Minutes

Minutes of all meetings are taken by SAO, and will be distributed to all members and other interested entities.

Agendas

Agendas are prepared for meetings in advance. Tentative agendas will be available to all members and other interested parties two weeks before meetings.

Meeting Schedule

All Committee meetings are open to the public, and nonmembers are encouraged to attend. Meetings take place at least twice a year. Meeting dates for the subsequent year usually will be determined at the fall meeting. Additional meetings of the Committee and/or its task forces will be scheduled as needed, and members will be notified at least two weeks before a scheduled meeting.

Amendments to the Bylaws

Once adopted, the Committee bylaws may be amended at any time by a majority vote of the members voting. Proposed amendments should be forwarded to the Committee Chair, who will communicate the recommendations before the next meeting. Revisions to the bylaws will be distributed to the members after the vote is taken.

Approved by the Committee on December 9, 2020