State Accounting Office of Georgia
Fiscal Leadership for Georgia

Statewide Accounting Policy & Procedure

Accounting Manual Reference:	**Authoritative References:**	**Effective Date:** 06/30/2009
Section: Introduction	OCGA 50-5B	**Revision Date:** 06/30/2009
Sub-section: Management Responsibilities		

Authority:
Title 50, Chapter 5B of the Official Code of Georgia Annotated (OCGA) describes the responsibilities of the State Accounting Office (SAO) and of state government organizations with respect to the State Accounting Officer. Specific duties and obligations are listed in the following code sections:

- 50-5B-3, Duties of the state accounting officer; recommendations for improving cash management practices; implementing policies
- 50-5B-4, Obligations of state government organizations with respect to the state accounting officer

Definition:
Organization of state government (state organization) – Without limitation, any agency, authority, department, institution, board, bureau, commission, committee, office, or instrumentality of the State of Georgia: The term shall not include any entity of local government, including, but not limited to, a county, municipality, consolidated government, board of education, or local authority, or an instrumentality of any such entity.

Management Responsibilities:
The management of each organization of state government is ultimately responsible for the accuracy and completeness of its accounting and financial records and reports, including ensuring compliance with applicable laws and regulations. The SAO provides fiscal leadership for Georgia by supporting and assisting these state organizations in their compliance with state and federal financial reporting requirements and generally accepted accounting principles (GAAP). The following other state organizations work closely with the SAO to assure that the financial reporting obligations of the State of Georgia are handled properly:

- The Office of Planning and Budget
- The Department of Audits and Accounts

A summary of the accounting and reporting responsibilities of state organizations is provided below.

State Accounting Office
The SAO has the legal authority to define statewide accounting and reporting practices. Issuing and maintaining the Accounting Policy Manual and supplementary guidance, such as Accounting Directives, are activities that support the following specific duties of the SAO:

- Prescribe statewide accounting policies, procedures, and practices.
- Prepare the state's financial statements and other reports in accordance with legal requirements and generally accepted accounting principles.
- Determine the proper classification for accounting and reporting activity, and prescribe a uniform classification of accounts and other accounting identifiers for use by all state organizations.

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Financial accountability requires that accounting records be maintained uniformly. To support that objective, the SAO also operates and maintains a statewide accounting system that is available for use by all state organizations. Not all state organizations use the statewide system, but the accounting policies and procedures established by the SAO apply both to users of that system and to all other state organizations included in the State of Georgia reporting entity.

SAO maintains a Common Chart of Accounts for users of the statewide accounting system and also maintains a Consolidated Trial Balance that defines the level of accounting classification that is required of all state organizations for annual reporting purposes, regardless of the accounting system used.

In addition to establishing this framework for accounting, the SAO is responsible for preparing the following annual reports:

- Comprehensive Annual Financial Report (CAFR)
- Budgetary Compliance Report (BCR)
- Single Audit Report (SAR), with the Georgia Department of Audits and Accounts

State organizations

As noted earlier, the management of each state organization is responsible for the accuracy and completeness of its accounting and financial records and reports. To fulfill this responsibility, state organizations have the following statutory obligations to the state accounting officer:

- Comply with the rules, regulations, policies, procedures, and forms established by the state accounting officer.
- Submit statements, reports, and information needed by the state accounting officer to complete his/her duties, within the specified time frames.
- Only create and maintain accounting systems or subsidiary accounting systems that have been approved by the state accounting officer.

Management of each individual state organization is also responsible for ensuring compliance with applicable laws and regulations. Management must be cognizant not only of State laws which pertain to their organizations but also of Federal laws and regulations which could affect operations. Examples of such Federal laws and regulations include those pertaining to:

Activities Allowed or Unallowable	Period of Availability of Federal Funds
Allowable Costs/Cost Principles	Procurement and Suspension and Debarment
Cash Management	Program Income
Davis-Bacon Act	Real Property Acquisition and Relocation Assistance
Eligibility	Reporting
Equipment and Real Property Management	Sub-recipient Monitoring
Matching, Level of Effort, Earmarking	Special Tests and Provisions

State organizations are also obligated to produce books, records, and other papers for examination and audit whenever demanded by the state auditor (OCGA 50-6-7).

Office of Planning and Budget (OPB)

The statutory duties of the OPB include developing and implementing a program budgeting system and developing financial policies and plans as the basis for the Governor's budget recommendations to the General Assembly (45-12-73). In fulfilling these duties, OPB operates the BudgetNet application. BudgetNet is used to administer the state's annual operating budget, including state, federal, and other funds. The system also supports the allotment process whereby funds held by the state treasury are made

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available to agencies to spend as appropriated. A nightly extract from BudgetNet populates the accounting system operated by the State Accounting Office.

Department of Audits and Accounts (DOAA)

The statutory duties of the DOAA include auditing all state institutions (OCGA 50-6-3). The DOAA provides decision-makers with information to promote improvements in accountability and stewardship in state and local government. On an annual basis the DOAA works with the SAO to prepare the Single Audit Report.

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