

# STATE OF GEORGIA

## ACCOUNTING PROCEDURES MANUAL

**SECTION: ONE - INTRODUCTION**  
**TOPIC: FOREWORD**

The Department of Audits and Accounts, in conformity with The Official Code Of Georgia Annotated (OCGA), Sections 50-6-7 has the responsibility for developing and maintaining uniform accounting rules and regulations for State organizations. In order to meet this requirement the Department of Audits and Accounts issued accounting manuals in 1967 and 1978. This manual replaces the 1978 manual.

Revision of this manual was required in order to respond to changes in the State's primary accounting system, to revise the State's chart of accounts, and to ensure conformity with generally accepted accounting principles (GAAP). Revisions made to the State's chart of accounts have resulted in changes to account numbers and definitions of accounts. This manual will be periodically updated. Updates which have not been formally included within this manual are available on our website at:

[http://www.audits.state.ga.us/departments/internet/sgd/sgdrpts/updt\\_log.pdf](http://www.audits.state.ga.us/departments/internet/sgd/sgdrpts/updt_log.pdf)

Section One of this manual provides general information including a description of the State organizations to which this manual applies, a basic overview of GAAP, accounting requirements for grants (federal funds), closing procedures and financial statement issuance requirements. Section Two lists the State's chart of accounts, and provides a definition for each account and a description of expenditure/expense functions. Section Two also provides guidance concerning fund source (program) identifiers, expenditure/expense functions and *Catalog of Federal Domestic Assistance* numbers. Section Three lists statutes governing State accounting practices and procedures as prescribed by the State Auditor. Section Four addresses issues that are procedural in nature but do not readily relate to other sections of the manual. Section Five provides guidance concerning internal control and Section Six provides instructions for making inquiries concerning the contents of this manual, in addition to describing procedures for requesting manual updates.

### APPLICABILITY

Financial accountability requires that accounting records be uniformly maintained. In order to ensure that State accounting records are maintained in a uniform manner this manual should be utilized by all State organizations, with the exception of the Board of Regents and its colleges and universities, which are included in the State financial reporting entity as defined by the Governmental Accounting and Standards Board (GASB) in Section 2100 of its *Codification of Governmental Accounting and Financial Reporting Standards*. Schedule "1A" of this section provides a listing of the State organizations to which this manual applies.

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State organizations not on the Phoenix System were encouraged to convert to the new chart of accounts during the fiscal year ending June 30, 2000. If such a conversion has not been completed, then a crosswalk must be available between the chart of accounts utilized by the organization and the chart listed in this manual. Reports submitted to the Office of Planning and Budget (OPB) and the Legislative Budget Office (LBO) must be prepared utilizing the new chart of accounts. Organizations utilizing crosswalks for reporting purposes must convert to the new chart upon changing or upgrading their present accounting system. State organizations created by statute subsequent to the issuance date of this manual should contact the Department of Audits and Accounts for guidance as to application of appropriate procedures and accounts.