



DATE: June 13, 2013
TO: Agency Fiscal Officers
FROM: Kris Martins, Director – Financial Reporting *Kum*
RE: Accounting for Vendor Adjustment Credits

Please find attached the Accounting Policy Manual topic titled “Accounting for Vendor Adjustment Credits.” This document establishes the State's policy with respect to recording vendor adjustment credits such as rebates and refunds. It is available on the SAO website at the following link: SAO.Georgia.gov » Policies and Procedures » Accounting Policy Manual.

The primary effect of this policy is generally to recognize vendor adjustment credit transactions as expenditure or expense reductions rather than as revenue. Recognition of these credit adjustments as revenue is allowed only under certain limited conditions.

Questions your staff may have regarding the policy can be directed to either your SAO partner or the SAO Reporting mailbox (sao_reporting@sao.ga.gov). If your organization obtains an annual external audit, please provide a copy of this policy to your external CPA firm.