



## Statewide Accounting Policy & Procedure

**Accounting Manual Reference:**

Section: Procure to Pay  
Sub-section: Purchase Orders

**Effective Date:** 11/01/2013

**Revision Date:** 09/13/2013

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**Policy Summary:**

The policy is intended to provide agencies guidance relative to when a purchase order is expected when procuring goods and services.

**Business Process Policy Requirements:**

A purchase order is required for all purchases of goods and services except for the following pay categories:

- Real Estate payments to GBA
- Utilities (electricity, phone land lines, cell phone charges)
- Interagency Payables (GTA bills, Risk Management Premiums, HRA Assessments, TeamWorks invoices)
- Payroll and associated tax and benefit payments
- Travel Reimbursements
- Any purchases made via P-card

All agency contracts, statewide contracts, and interagency agreements should be procured via a purchase order. While not required as part of this policy, agencies may use purchase orders to pay for any of these categories at their discretion.

**Accounting Treatment:**

Purchase orders will be recorded as encumbrance payables and utilize budget dollars associated with the budget date entered on the purchase order. This will result in a credit to encumbrance payable and an offsetting entry to the applicable expense accounts.

**Authority:**

Section 50-5B-3 O.C.G.A. provides that the state accounting officer shall:

- Prescribe state-wide accounting policies, procedures, and practices;
- Prescribe the manner in which disbursements shall be made by state government organizations;

- Determine the proper classification for accounting and reporting purposes of all assets, liabilities, revenues, expenditures, fund balances, funds, and accounts in compliance with legal requirements and generally accepted accounting principles and prescribe a uniform classification of accounts and other accounting identifiers which shall be used by all state organizations;
- Develop processes and systems to improve accountability and enhance efficiency for disbursement of funds and management of accounts payable.

**Applicability:**

Any agency, authority, department, institution, board, bureau, commission, committee, office, or instrumentality of the State of Georgia. Such 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.

**Forms and Attachments:**

Not applicable

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