



## Statewide Accounting Policy & Procedure

**Accounting Manual Reference:**

Section: General Guidelines  
Sub-section: Accounting Manual Introduction  
Policy Title: Laws and Regulations

**Effective Date:** 07/01/1999**Revision Date:** 07/01/2022**Index:**

[Accounting Policy Summary](#)

[Accounting Policy and Requirements](#)

[Authority](#)

[Applicability](#)

**Accounting Policy Summary:**

The purpose of this policy is to provide guidance and to clarify responsibilities relating to compliance with laws and regulations<sup>1</sup>.

**Accounting Policy and Requirements:**

The management of each individual State organization is responsible for ensuring compliance with applicable laws and regulations. Management must be cognizant not only of accounting guidance, such as generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB), but also State or Federal laws which pertain to their organizations and could impact operations.

***Accounting Guidance***

The State Accounting Office (SAO) policy structure is designed to provide Georgia State government financial personnel with comprehensive guidance, that provides consistent context for accounting decisions and actions. For additional details, please refer to the SAO Accounting Policy – *State of Georgia Accounting Policy Structure*.

Additionally, GASB Statements, Implementation Guides, Concepts Statements, and other accounting guidance can be found on the GASB website: <http://www.gasb.org>. Also, for additional details, please refer to the SAO Accounting Policy – *GAAP Hierarchy*.

***State Laws***

State of Georgia laws are generally contained in the Georgia Constitution and the Official Code of Georgia Annotated (OCGA). The latest versions of the State laws can be obtained from the Georgia General Assembly at <https://www.legis.ga.gov/>.

***Federal Laws***

The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government. Specifically, management at organizations with Federal grants management personnel should be familiar with Office of Management

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<sup>1</sup> For additional management duties, please refer to the SAO Accounting Policy – *Management Responsibilities*.

and Budget (OMB) Guidance for Grants and Agreements. OMB’s guidance is contained in 2 CFR Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”:

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D – Post Federal Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements

Organization management should carefully review 2 CFR Part 200 for guidance relating to Federal grants, including indirect cost identifications, to ensure compliance with federal requirements. An electronic version of the CFR can be found at <https://www.ecfr.gov>.

**Authority:**

- Official Code of Georgia Annotated (OCGA) 50-5B-3 – Duties of the state accounting officer include:
  - Prescribing state-wide accounting policies, procedures, and practices;
  - Prescribing the manner in which disbursements shall be made by state government organizations;
  - Developing processes and systems to improve accountability and enhance efficiency for disbursement of funds and management of accounts payable;
  - Determining 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.
- OCGA 50-5B-4(b) – Duties of the state agencies with respect to SAO.
  - All organizations of state government and all officers, agents, and employees thereof shall conform to and comply with the rules, regulations, policies, procedures, and forms devised, promulgated, and installed by the state accounting officer.

**Applicability:**

This accounting policy applies to all Organizations included in the State of Georgia reporting entity. The term ‘organization of state government’ shall mean, without limitation, 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. At these reporting organizations, all personnel with accounting and financial reporting responsibilities should be knowledgeable of this policy. Refer to the *Management Responsibilities* policy for a summary of general financial reporting responsibilities.