



Statewide Accounting Policy & Procedure

Accounting Manual Reference:

Section: General Guidelines
Sub-section: None
Policy Title: State of Georgia Accounting Policy Structure

Effective Date: 06/30/2009**Revision Date:** 07/01/2022**Index:**[Accounting Policy Summary](#)[Accounting Policy and Requirements](#)[General Accounting Procedures](#)[Authority](#)[Applicability](#)**Accounting Policy Summary:**

The purpose of this policy is to provide information on the policy structure used by the State Accounting Office (SAO). The policy structure is designed to provide Georgia State government financial personnel with comprehensive guidance, that provides consistent context for accounting decisions and actions. The accounting policy structure includes four categories: (1) Accounting Policy and Procedures, (2) Accounting Directives, (3) Position Papers, and (4) Business Process Policies.

Accounting Policy and Requirements:

One of the responsibilities assigned to the State Accounting Officer includes prescribing statewide accounting policies, procedures, and practices. As such, the creation and communication of statewide accounting policies and procedures is a key element of SAO's goal to provide fiscal leadership for Georgia.

Specifically, through comprehensive policies and procedures, SAO can help to:

- Assure the integrity of financial records.
- Assure the reliable, timely, and meaningful presentation of financial results.
- Support and assist State organizations in complying with State and Federal financial reporting requirements and generally accepted accounting principles.

SAO strives to update and maintain its policy guidance on a current basis. However, if any document in the policy structure conflicts with a Federal or State of Georgia law, then the law takes precedence over the policy structure documentation. Management of each individual State organization is responsible for ensuring compliance with applicable laws and regulations. Also, management must be cognizant, not only of State laws which pertain to their organizations, but also of Federal laws and regulations which could impact operations.

Basis of Accounting

Organizations included in the State reporting entity are required to maintain their accounting records in a manner which will provide for preparation of Generally Accepted Accounting Principles (GAAP) financial statements and/or budgetary statements. Day-to-day operations may be accounted for using one basis of

accounting, such as statutory basis (budgetary reporting), and year-end reporting information must be prepared to accommodate reporting on a different basis of accounting (a GAAP basis).

General Accounting Procedures:

SAO policies used by organizations in the State of Georgia reporting entity to help meet the requirements for statutory and GAAP reporting purposes, along with legislative standards. The policies are structured in the following categories:

1. Accounting Policy and Procedures – includes high-level policies and procedures to ensure that financial activity is recorded accurately and consistently across organizations. Basic guidance on accounting requirements, including journal entry examples, is included in these documents. Accounting manual topics apply to all organizations included in the State of Georgia reporting entity, as determined in accordance with authoritative guidance, regardless of their accounting systems.
2. Accounting Directives – documents that provide accounting guidance for recording and reporting complicated, event-driven transactions. A directive may be supported by underlying policies and procedures contained in the Accounting Policy Manual. Directive topics may apply to all organizations included in the State of Georgia reporting entity, regardless of their accounting systems or to only a sub-set of those organizations, depending on the topic.
3. Position Papers – documents that provide research, recommendations, and conclusions about specific accounting topics, such as emerging issues from the GASB or legislative activities that affect accounting issues.
4. Business Process Policies – documents containing other procedural functions and contain guidance to assist users with managing accounting operational processes such as, cash management, vendor management, etc.

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.