



Policy Number	Section Name	Policy Name	Effective Date	Revised Date
CM-100004	Cash Management	Accounts Payable Disbursement	2/28/07	5/15/08

I. Purpose

This section will provide guidelines for the Accounts Payable disbursement method for Streamlined Banking agencies. Non-Streamlined Banking agencies shall follow policies and procedures relevant to their current disbursement activities.

II. Background

In accordance with Section 50-5B-3 of the O.C.G. A., the State Accounting Officer shall, “Prescribe the manner in which disbursements shall be made by state organizations.” Accounts Payable disbursements should be handled in such a manner as to ensure that funds are properly charged to correct account, vouchers are budget checked, and that laws and regulations governing disbursements are followed. Under a Centralized Disbursement Center, there will be several changes affecting Streamlined Banking agencies. First, disbursements for Streamlined Banking Agencies will be processed through two main disbursement banks.(Operating and Payroll Accounts). Secondly, manual checks will no longer be utilized. Third, express check requests will be submitted to SAO for processing. Additionally, physical changes on Accounts Payable checks for Streamlined Banking agencies will be as follows:

- (1) The issuing authority on Accounts Payable checks will read:

**State of Georgia
Operating Account
200 Piedmont Ave., Suite 1604, West Tower
Atlanta, GA 30334**

- (2) The State of Georgia’s seal will appear on the checks.
- (3) The agency’s name will appear on the top left corner of the check.
- (4) Treasurer’s signature will be the authorized signature on operating checks.

III. Policy

- A. Agencies should use electronic payment methods (EFT) for vendor payments whenever possible. For those vendors that do not accept EFT payments, agencies should select the system check payment method.
- B. Invoices must be matched with the appropriate supporting documentation prior to approval for payment.
- C. Agencies must pay all invoices by the due date. When discounts are provided, agencies are encouraged to apply the discount when feasible.
- D. Accounts Payable vouchers must be correctly entered and approved by proper authorities of the agency before the payment is processed.
- E. Agencies should use the control group feature when entering vouchers in PeopleSoft to review all vouchers for accuracy prior to submission.
- F. SAO Cash Management Group will schedule paycycles to run nightly for all Streamlined Banking agencies.
- G. Agencies will no longer receive physical checks or check copies.
- H. Express check functionality will be administered by SAO for Streamlined Banking agencies.
- I. Fedwire may be used only for high-dollar, low-volume payment in excess of \$100,000, when same day settlement is required. Only OTFS will be able to do Fedwires. (*See Bank Settlement Policy*)
- J. Purchasing cards must be used as prescribed by DOAS guidelines.
http://statepurchasing.doas.georgia.gov/vgn/images/portal/cit_11783501/37106590pcard.pdf

IV. A/P Procedures for Streamlined Banking Agencies

A. Accounts Payable Disbursements (System Check & ACH)

- 1. Once an invoice is approved and prepared for processing, the designated personnel creates a control group in PeopleSoft Accounts Payable module.
- 2. Agencies will enter voucher information into the GPFS and select payment method and payment date.
- 3. Someone other than the person who entered the voucher will review the Control Group Report or Payable Due Proof Report (APS4004X) for voucher accuracy.
- 4. All vouchers will be budget checked by GPFS before payment is processed. If the item does not pass, agencies must make corrections prior to overnight processing.
- 5. When vouchers have been properly entered and the Control Group report is approved, vouchers will generate payments in nightly GPFS process.
- 6. PeopleSoft generates a transmission file for the positive pay/ACH transactions and transmits daily files to the bank. SAO will communicate with the agency on all positive pay exceptions. (*See Payment Cancellation Policy*)
- 7. SAO will set up and schedule paycycles to run nightly for all Streamlined Banking agencies.

8. All accounts payable checks will be printed nightly at GTA by zip code and mailed directly to vendors with the exception of those with “return to agency” handling codes.
9. GTA will verify totals and complete the top portion of the check control log.
10. DOAS will verify and sign for receipt of checks from GTA.
11. DOAS will mail checks to agencies by 8:00 A.M.
12. DOAS will complete the bottom portion of the Check Control Log.
13. SAO will review the verification against Paycycle File and follow up with GTA and DOAS on any issues.

B. Special Handling Codes (Exceptions Only)

1. Agencies will use special handling codes on an exception basis if an Accounts Payable check must be returned to the agency for distribution.
2. Agencies requesting return checks should use the appropriate handling code to describe the type of payment. See below:

RP - Default code for regular payment

WH - Code used for payroll withholding payments

TP - Code used for travel payments

UT - Code used for utility payments

JS - Jail Subsidy

MS- Miscellaneous

AG - Code used for all other payments which should be returned to agency

3. SAO will monitor the usage of any returned checks to agencies.
4. To reduce the amount of checks being returned to the agencies and to expedite payments, agencies are encouraged to submit EFT payments to vendors.
5. In GPFS, agencies should select a special handling code on the voucher maintenance page when payment is being processed.
6. Special handling checks will be printed and sorted by business unit by GTA.
7. GTA will verify totals and complete the top portion of the check control log.
8. Agencies that select to pick up these checks or couriers that deliver these checks will verify and sign off on control totals and receipt of checks.
9. SAO will receive a copy of the Control Log and review it against the Paycycle File. SAO will follow with GTA on any check issues.

C. Express/Manual Checks

1. The use of manual checks is not encouraged under the Streamlined Banking structure.
2. When necessary, agencies should utilize the Express check functionality which is monitored by SAO.
3. In order to process an Express check, agencies should enter vouchers in GPFS and validate the information for the express payment.

4. The agency must budget check the voucher and select the Express check payment option in GPFS.
5. An authorized user must submit the ([AP Express Check Request Form](#)) to SAO for same day processing no later than 2:00 P.M. Requests received by 2:00 P.M. will be processed by close of business day (5:00 P.M.)
6. The agency's approver must be listed on SAO's signature authority list and must be the same person which initiated the express check form.
7. SAO will generate the express check and submit a confirmation to the originator identifying when the express check will be available.
8. SAO will establish satellite check printing locations where necessary to ensure timely processing across the State.
9. Express check request must include signatures and supporting documentation according to the chart below:

Express Check Amount	Reviewer(s)	SAO Approvers/Signature Required	Agency Supporting Documentation Required
\$2,000 or Less	Cash Management Operations Manager and AP Technician	Cash Management Operations Manager	Express Check Request Form
\$2,001 - \$10,000	Cash Management Accounting Manager, Cash Management Operations Manager and AP Technician	Cash Management Accounting Manager	Express Check Request Form and faxed or scanned invoice copy with Accounting Manager's signature
\$10,001 - \$25,000	Director of Statewide Accounting Operations, Cash Management Accounting Manager, Cash Management Operations Manager, and AP Technician	Director of Statewide Accounting Operations	Express Check Request Form and faxed or scanned invoice copy with Division Director's signature

10. No Express Check over \$25,000 will be printed.

VI. Definitions

Automated Clearing House (ACH) - A nationwide payment and collection system that provides for electronic distribution and settlement of funds. Although the term Electronic Fund Transfer (EFT) is technically more inclusive than the term ACH, the term EFT is often used synonymously with ACH.

Control Group- A control group in PeopleSoft is used to batch vouchers and input a control total before voucher entry. This allows users to compare disbursements to supporting documentation and verify accuracy prior to the check being printed.

Disbursement- Payment by cash, check, EFT, or any other technological payment method.

Electronic Fund Transfers (EFT) - Any transfer of funds between accounts by electronic means rather than conventional paper-based payment methods.

Expenditure- Decreases in net financial resources under the current financial resources measurement focus not properly classified as other financing uses.

Express Checks- Financial system generated check by SAO within the same business day upon request of a agency.

Invoice- A request for payment from a vendor documenting specific services, materials or supplies furnished.

Georgia PeopleSoft Financials System (GPFS)- Accounting software application utilized to process transactions. The financial modules include Purchasing, Accounts Payable, Accounts Receivable, Asset Management, Labor distribution, Cash Management, Commitment Control, and General Accounting.

Main Disbursement Accounts- Two main disbursement accounts (Operating and Payroll) for disbursing payment of Streamlined Banking agencies. These are both controlled disbursement accounts.

Positive pay- A deterrent to check fraud-by which banks compare a company's record of checks issued with checks presented for payment. Check must be on outstanding check list to clear bank.

Purchase Card (P-card) - A Visa purchasing card used by state agencies to pay for approved goods and services. This card is most frequently used for purchases under \$5000. P-card contract for the state is administered by DOAS.

Remittance Advice- Additional information regarding a specific transaction, which will be printed on the payment stub, used to identify paying agencies, vendor invoices and other information used by payee to identify payment received.

System check – Financial system generated check by the GPFS.

Vendor-Any entity to which the State of Georgia makes payment for goods or services.

Zero Balance Account (ZBA) – Account balance against which checks are cleared. Funds are transferred to an account based on checks cleared.

See Also:

- CM- Payment Cancellation (Stop/Void Payments)
- CM- Check Imaging
- CM- NSF Policy
- CM- Bank Settlement (Wires)

VII. Approval

Statewide Accounting	
Financial Systems	
State Accounting Officer - Acting	

VIII. Revision History

Version	Date
1	2/28/07
2	5/15/08