



Statewide Accounting Directive

Subject File Reference:

AD_201001_Interagency Receivables and Payables

Authoritative References:

See Authority Section Below

Effective Date: 01/01/2010

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Interagency Receivables and Payables

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Event Description:

The purpose of this Accounting Directive is to provide agencies with interim guidance regarding the requirements and responsibilities for managing interagency receivables and payables until more detailed guidance can be issued in the form of an accounting policy and procedure document.

The goal of each state agency/organization shall be the timely production and distribution of its billings and the timely payment of billings received from other agencies. There shall be a shared responsibility and cooperation by state agencies to assure that goods and services requested and received are properly and timely billed and paid for.

Authority:

OCGA 50-5B-3, *Duties of the State Accounting Officer*

Background and Discussion:

Several issues exist with the current processing of interagency receivables and payables. It is important that agencies are billed and paid on time, using the most cost effective methods possible.

For the billing agency, the following minimum requirements are necessary:

- Invoices shall be sent to other agencies on a periodic billing cycle (monthly, quarterly, annually, etc.)
- Invoices shall be prepared within 15 days of a monthly-based billing cycle and within 30 days for quarterly or annually based billing cycles
- Invoices shall be clear, informative and include a billing agency contact for questions or issues
- Invoices shall include bank account information (bank name, account number and routing number) for electronic payment purposes
- For billing agencies using PeopleSoft, entries into the Accounts Receivable module should be timely and correspond with invoices being sent to other agencies

- Invoices should be sent to other agencies using electronic means whenever possible

For the payer agency, the following minimum requirements are necessary:

- Invoices shall be promptly reviewed and authorized for payment in a timely manner
- Invoices shall be paid within 30 days of the billing date
- Invoices shall be paid using an electronic payment method (general fund transfer using the Treasury's ARIS system or ACH)
- For billing disputes, the payer agency will contact the billing agency for resolution

All agencies are required to implement and follow these minimum requirements as soon as possible. The State Accounting Office will work with agencies to obtain Accounts Receivable and Accounts Payable contacts in each agency. The information will be posted on the State Accounting Office website and a procedure for updating the information will be implemented.

Related Policies and Procedures:

Not applicable.

Required Journal Entries:

Not applicable.

Additional Guidance for PeopleSoft Users:

Monthly Monitoring and Review

Interagency receivables and payables should be monitored and reviewed by agencies during the month-end close process. The following queries can be run by agencies to ensure that interagency items are being cleared in a timely manner:

- 0AP057B_Interunit_Payables_CC
- 0AP090_Interunit_Open_Vouchers
- 0AR030_Interunit_Open_Vouchers