



Business Procedures Manual

Foreword

The University System of Georgia (USG) comprises thirty-five institutions of higher learning, a marine research institute, and a system central office. Included in the institutions of higher learning are four research universities, two regional universities, thirteen four-year comprehensive state universities, seven state colleges, and nine two-year colleges. All public colleges and universities within the University System of Georgia operate under common statutory and policy requirements. Under Board of Regents' policy, it is the responsibility of the Treasurer to "see that the institutions in the University System establish and maintain uniform and effective procedures of accounting, budgetary control, internal checks and audits, inventory controls, and business practices and shall advise institutions on all problems of a fiscal or business nature."

Part of this responsibility is to prepare a manual of business procedures to be followed by each institution. The USG Business Procedures Manual was originally created in 1978. Since that time, the University System of Georgia has grown significantly in size and complexity. This growth has been attended by many changes in public accounting principles, federal and state requirements for higher education and new technical demands that have made the task of financial and human resources management more challenging in today's environment.

In 2000, the Government Accounting Standards Board (GASB), the organization that sets accounting and financial reporting standards for public sector agencies, issued new guidelines fundamentally altering the financial reporting requirements that were in existence until that time. Additionally, as these new requirements were being disseminated nationally, nearly all institutions in the University System of Georgia, individually or collectively, were embarking on a major implementation of new human resources and financial information systems, a process that demanded a reconsideration of business practices and procedures across the organization.



Both events were driving factors in the present effort to revise the USG Business Procedures Manual, although clearly such a revision was long overdue.

This manual serves several purposes. Primarily, it sets forth the essential procedural components that each institution within the University System of Georgia must follow to meet both Board of Regents policy mandates and the statutory or regulatory requirements of the state of Georgia and the federal government. Secondly, it is designed also to provide new financial, business and human resources professionals within the University System of Georgia the necessary information and tools to perform effectively. Finally, it serves as a useful reference document for seasoned professionals at USG colleges and universities who need to remain current with changes in Board of Regents policy and state law.

While much attention is given to general accounting principles and reporting requirements, the main emphasis of the manual is upon those financial and human resource procedures and practices that are unique or central to the state of Georgia and the University System of Georgia.

This manual retains much of the information that existed in previous versions that are still applicable to current operations. The manual has been expanded significantly, however, to address procedures formerly contained in numerous and separate documents.

For example, there are new sections on capitalization, the budget process, and the protection and security of records that were not part of the earlier manual. As a web-based document, the manual provides direct links to reference information – Board of Regents policies, Georgia statutes, and other federal and state resources – to assist the reader to identify the underlying source of some procedures and to provide broader understanding of the basis for others.

Thus, the manual, while focusing on USG procedures, also offers ready access to important policies, statutes and regulations that will aid the business officer in his/her daily performance of duties.



Acknowledgements

Special thanks and recognition go to the task group that met regularly to discuss, draft, edit, and finally produce this document:

- ❑ Mr. Michael Cole, former Assistant Director for Financial Systems and Services
- ❑ Mr. Fred Cooper, former Assistant Chief Business Officer at Macon State College and Financial Systems Director for the Board of Regents
- ❑ Mr. Phil Raymondo, Communications Professional
- ❑ Mr. Ron Stark, Associate Vice Chancellor for Internal Audit

A project as complex and large as this, however, could not be accomplished without the active participation and contributions of many individuals within the USG. The Board of Regents expresses its gratitude and thanks to the following persons for giving of their time and expertise to this project:

- ❑ Ms. Corlis Cummings, Senior Vice Chancellor for Support Services
- ❑ Ms. Linda Daniels, Vice Chancellor for Facilities Planning
- ❑ Ms. Dee Douglas, Assistant Web Master, Information and Web Services
- ❑ Mr. Robert Elmore, Assistant Director for Business Affairs
- ❑ Ms. Sandra Kisselburg, Accountant III, Internal Audit
- ❑ Mr. Ray Lee, Manager/Webmaster, Information and Web Services
- ❑ Ms. Usha Ramachandran, Assistant Vice Chancellor for Fiscal Affairs and Special Assistant to the Chancellor
- ❑ Ms. Lucy Sirmon, Information Analyst, Enterprise Applications Systems
- ❑ Mr. Randall Thursby, Vice Chancellor for Information Technology and Chief Information Officer
- ❑ Mr. William Wallace, Associate Vice Chancellor for Human Resources
- ❑ Mr. Scott Woodison, IT Audit Manager

Finally, the Board of Regents expresses its appreciation to many others within the University System of Georgia who reviewed early drafts of this document and offered their suggestions on several sections of the manual. The Board is



especially grateful to the following for their comments and recommendations:

- Account Definition Sub-Committee of the Accounting Issues Committee (Debra Lasher, University System Office, chair)
 - Linda Corva, Georgia Perimeter College
 - Traycee Martin, Valdosta State University
 - Mary Ann Simpkins, Georgia State University
 - Henry Spinks, Georgia Institute of Technology
- Sharon Ellis, Abraham Baldwin Agricultural College
- Cilla Leed, University System Office
- Mary L. Lomax, Fort Valley State University
- Cathy Osborne, State University of West Georgia
- Lynn Parker, Georgia Perimeter College
- Patricia C. Wilkins, Georgia College & State University

William R. Bowes
Vice Chancellor for Fiscal Affairs

January 2005



Table of Contents

<u>1.0 ACCOUNTING PRINCIPLES AND DEFINITIONS</u>	1-1
1.1 GASB COMPLIANCE	1-2
1.2 FULL ACCRUAL BASIS OF ACCOUNTING	1-4
1.2.1 Current versus Non-Current.....	1-4
1.2.2 Exchange versus Non-Exchange.....	1-5
1.2.3 Operating versus Non-Operating.....	1-6
1.3 GAAP AND BUDGETARY ACCOUNTING	1-8
1.3.1 GAAP Accounting	1-8
1.3.2 Budgetary Accounting in Georgia	1-8
1.4 ENCUMBRANCES	1-10
1.4.1 General.....	1-10
1.4.2 Encumbrance Policies.....	1-10
1.5 ACCOUNTING PERIODS	1-12
1.5.1 Accounting Year	1-12
1.5.2 Monthly Closing of Account Records	1-12
1.5.3 Year End Closing of Accounting Records.....	1-12
1.6 RECORDS MAINTAINED TO FACILITATE REQUIRED REPORTING	1-13
1.6.1 Georgia Budgetary Expense Reporting	1-13
1.6.2 Capital Assets with Depreciation.....	1-13
1.6.3 Ledger for Adjusting Entries	1-14
1.6.4 Combinations of Ledgers versus Reporting Requirements	1-14
1.7 RECONCILIATIONS	1-16
1.7.1 Human Resources/Payroll Systems	1-16
1.7.2 Student Information Systems.....	1-16
1.7.3 Other Systems	1-16
1.7.4 Bank Accounts.....	1-16
1.7.5 Accounts Payable.....	1-17
1.7.6 Accounts Receivable.....	1-17
1.7.7 Capital Assets.....	1-17
<u>2.0 CHART OF ACCOUNTS</u>	2-1
2.1 ACCOUNT CODING SCHEME	2-3
2.1.1 Fund Group	2-3
2.1.2 Function Code.....	2-3
2.1.3 Funding Source Code.....	2-3
2.1.4 Department.....	2-3
2.1.5 Project Indicator.....	2-3
2.1.6 Account	2-4
2.1.7 Budget Period.....	2-4



2.2 FUND GROUP.....	2-5
2.2.1 Current Funds.....	2-5
2.2.2 Public Trust Funds	2-10
2.2.3 Plant Funds.....	2-11
2.2.4 Agency Funds	2-12
2.3 FUNCTION AND SUB-FUNCTION (PEOPLESOFT FINANCIALS - PROGRAM) CODES.....	2-13
2.3.1 Function and Sub-Function Codes for All Fund Groups except Auxiliary Enterprises.....	2-16
2.3.2 Function and Sub-Function Codes for the Auxiliary Enterprises Fund Group	2-22
2.4 FUNDING SOURCE (PEOPLESOFT FINANCIALS - CLASSIFICATION) CODES	2-26
2.4.1 General Operations (1xxxx).....	2-26
2.4.2 Continuing Education	2-29
2.4.3 Departmental Sales and Services	2-29
2.4.4 Sponsored Operations	2-31
2.5 DEPARTMENTS	2-32
2.6 PROJECT INDICATOR (PEOPLESOFT FINANCIALS - PROJECT ID)	2-33
2.7 GENERAL LEDGER ACCOUNTS – BALANCE SHEET ACCOUNTS	2-34
2.7.1 Asset Accounts (1).....	2-34
2.7.2 Liability Accounts (2).....	2-42
2.7.3 Net Assets and Reserves (3)	2-46
2.8 GENERAL LEDGER ACCOUNTS – REVENUE ACCOUNTS.....	2-48
2.8.1 Operating Revenues (40xxxx – 47xxxx)	2-48
2.8.2 Non-Operating Revenues (48xxxx – 49xxxx)	2-54
2.9 GENERAL LEDGER ACCOUNTS – EXPENDITURE ACCOUNTS	2-59
2.9.1 Personal Services (5).....	2-59
2.9.2 Travel (6)	2-62
2.9.3 Operating Supplies and Expenses (7)	2-64
2.9.4 Equipment/Capital Outlay (8).....	2-72
2.9.5 Transfers (9).....	2-74
<u>3.0 PURCHASING AND CONTRACTS.....</u>	<u>3-1</u>
3.1 REQUESTS FOR PURCHASE (RFPs).....	3-3
3.1.1 Cost Limits and Related Processing Rules	3-3
3.1.2 Exemptions from the Competitive Procurement Procedure	3-4
3.2 VEHICLES.....	3-9
3.2.1 Purchasing Vehicles.....	3-9
3.2.2 Disposing of Vehicles	3-10
3.2.3 Transferring Vehicles.....	3-10
3.2.4 Assigning Vehicles	3-10
3.2.5 Using Vehicles To and From Employee’s Residences	3-11
3.2.6 Record Keeping Requirements	3-12
3.3 PURCHASING CARDS.....	3-13
3.3.1 Authorized Uses of Purchasing Cards	3-13



3.3.2 Prohibited Uses of Purchasing Cards..... 3-13

3.3.3 Program Administration..... 3-13

3.3.4 Purchasing Card Account Code 3-13

3.3.5 Purchasing Card Reports..... 3-14

3.4 CONTRACTS 3-15

3.4.1 Authority to Execute Contracts..... 3-15

3.5 PERSONAL USE OF INSTITUTIONAL PROCUREMENT CHANNELS 3-16

3.6 SALES TAXES ON INSTITUTIONAL PURCHASES..... 3-17

4.0 TRAVEL..... 4-1

4.1 DEFINITIONS 4-3

4.1.1 Agency 4-3

4.1.2 Commercial Transportation 4-3

4.1.3 County and Municipal Excise Tax..... 4-3

4.1.4 DOAS Vehicles..... 4-3

4.1.5 Employee Travel Expense Statement 4-3

4.1.6 Federal Per Diem Rate 4-3

4.1.7 High Cost Area 4-3

4.1.8 Lodging..... 4-3

4.1.9 Per Diem for Meals..... 4-4

4.1.10 Miscellaneous Travel Expense 4-4

4.1.11 Normal Commuting Miles 4-4

4.1.12 Personal Motor Vehicle 4-4

4.1.13 Point of Departure..... 4-4

4.1.14 Travel Advance..... 4-4

4.1.15 Travel Advance Authorization Form 4-4

4.1.16 Travel Exception..... 4-4

4.1.17 Travel Expenses 4-5

4.2 AUTHORIZATION FOR TRAVEL 4-6

4.2.1 General Provisions 4-6

4.2.2 Exceptions to Travel Regulations 4-6

4.2.3 Employee Authorization for Travel..... 4-6

4.3 REIMBURSEMENT OF MEAL EXPENSES 4-7

4.3.1 Per Diem Allowance for Meals Associated with Overnight Travel Within Georgia (General Rules) 4-7

4.3.2 Per Diem Allowance for Meals Associated with Overnight Travel Within High Cost Areas in Georgia..... 4-8

4.3.3 Per Diem Allowance for Meals Associated with Overnight Travel Outside Georgia..... 4-9

4.3.4 Per Diem Allowance for Meals not Associated with Overnight Travel 4-10

4.3.5 Meal Expenses Incurred While Taking Leave..... 4-11

4.3.6 Required Documentation of Meal Expenses..... 4-11

4.4 LODGING EXPENSES 4-12



4.4.1 General Provisions 4-12

4.4.2 Employee Responsibilities 4-12

4.4.3 Reimbursement of Lodging Expenses for Overnight Travel Outside Georgia.... 4-12

4.4.4 Lodging Associated with a Meeting or Seminar..... 4-12

4.4.5 Authorization for Lodging Within the 50 Mile Radius 4-13

4.4.6 Shared Lodging..... 4-13

4.4.7 Taxes Associated with Lodging Expenses..... 4-13

4.4.8 County and Municipal Excise Tax Not Applicable to State and Local Government..... 4-15

4.4.9 Lodging Expenses Incurred While Taking Leave 4-15

4.4.10 Required Documentation of Lodging Expenses 4-15

4.4.11 Georgia’s “Green Hotel” Program..... 4-15

4.5 TRAVEL BY STATE-OWNED OR PERSONAL VEHICLES 4-17

4.5.1 General Provisions 4-17

4.5.2 Use of Agency-Owned or DOAS Vehicles 4-17

4.5.3 Mileage Reimbursement Rate for Use of Personal Vehicles..... 4-17

4.5.4 Prohibited Mileage Reimbursements..... 4-19

4.5.5 Reimbursement for Parking Fees and Tolls..... 4-19

4.5.6 Required Documentation of Mileage, Parking and Toll Expenses..... 4-20

4.6 TRAVEL BY RENTED OR PUBLIC TRANSPORTATION 4-21

4.6.1 General Provisions 4-21

4.6.2 Commercial Air Transportation..... 4-21

4.6.3 Upgrades to Non-Coach Travel 4-22

4.6.4 Indemnification Received Due to Travel Inconveniences Imposed by Airlines .. 4-23

4.6.5 Recent Changes in Airline Ticketing Policies 4-23

4.6.6 Rental of Motor Vehicles..... 4-23

4.6.7 Travel by Railroad 4-24

4.6.8 Travel by Mass Transportation, Taxi, or Airport Vans 4-24

4.6.9 Reimbursement for Baggage Handling Services 4-24

4.6.10 Required Documentation of Expenses..... 4-24

4.7 TRAVEL BY PRIVATE AIRCRAFT 4-25

4.8 MISCELLANEOUS TRAVEL EXPENSES 4-26

4.8.1 Telephone/Telegraph/FAX Expenses 4-26

4.8.2 Stationary/Supplies/Postage Expenses..... 4-26

4.8.3 Registration Fees..... 4-26

4.8.4 Internet Usage Charges 4-26

4.8.5 Visa/Passport Fees 4-26

4.8.6 Unallowable Expenses 4-26

4.9 CORPORATE CHARGE CARDS AND TRAVEL ADVANCES 4-28

4.9.1 General Provisions 4-28

4.9.2 Purpose of Travel Advances 4-28

4.9.3 Corporate Charge Cards..... 4-28

4.9.4 Authority to Advance Cash for Travel..... 4-29



4.9.5 Approval of Cash Advances for Travel 4-29

4.9.6 Amount of Cash Advance 4-29

4.9.7 Employee and Institution Accountability of Funds Advanced 4-29

4.9.8 Recovery of Cash Advances Made for Specific Trips 4-30

4.9.9 Recovery of Cash Advances for Continuous Travel 4-30

4.10 REIMBURSEMENT PROCEDURES 4-31

4.10.1 Required Documentation of Travel Expenses 4-31

4.10.2 Frequency of Reimbursement 4-32

4.10.3 Institution Responsibility 4-32

5.0 PAYROLL 5-1

5.1 BENEFITS 5-2

5.1.1 Reports and Reconciliation 5-2

5.1.2 Health Care Reporting and Premium Remittance 5-3

5.1.3 Life Insurance Reporting and Premium Remittance 5-5

5.1.4 Withholding Schedules for 10 Month Contract Employees 5-7

5.1.5 COBRA/Retiree Billing 5-7

5.1.6 Retirement System Reporting and Deduction Remittance 5-7

5.1.7 Discontinuing Benefits for Retired Employees 5-16

5.1.8 Leave Accrual for Summer Faculty 5-16

5.2 TAXES 5-18

5.2.1 Submission of Georgia Withholding Amounts 5-18

5.2.2 Submission of Federal Withholding Taxes and OASDI and FICA/Medicare Taxes 5-21

5.3 EMPLOYEE PAY 5-23

5.3.1 Method of Payment for Compensation and Expense Reimbursement 5-23

5.3.2 Extra Compensation 5-23

5.3.3 Joint Staffing 5-25

5.3.4 Limitation of Summer Faculty Pay 5-29

5.3.5 Salary Expense Charges for Summer Session Payroll Expenses 5-29

5.3.6 Overtime and Compensatory Time 5-29

5.4 REPORTING 5-30

5.4.1 Georgia State Department of Labor 5-30

5.4.2 IRS 941 5-30

5.4.3 IRS W-2 & W-3 5-30

5.4.4 Georgia Department of Revenue Annual Reporting 5-31

5.4.5 Teachers Retirement System (TRS) 5-31

5.4.6 Employee Retirement System (ERS) and Georgia Defined Contributions (GA DefCon) 5-31

5.4.7 Department of Audits and Accounts – Continuous Audit/Payroll 5-31

5.5 DETERMINATION OF STATUS – EMPLOYEE VS. INDEPENDENT CONTRACTOR 5-36

5.5.1 Factors in Determining Whether a Person is considered an Employee or Independent Contractor under Common Law 5-36



5.5.2 Continuing Education 5-37

5.5.3 Additional Compensation for University System of Georgia Employees 5-37

5.5.4 Independent Contractors 5-38

6.0 ACCOUNTS PAYABLE 6-1

6.1 CONTROLS, DOCUMENTATION, AND ASSEMBLY OF DOCUMENTS. 6-2

 6.1.1 Documentation 6-2

 6.1.2 Assembly of Documents 6-2

6.2 PAYMENT SCHEDULING..... 6-3

6.3 CREDIT MEMOS 6-4

7.0 CAPITALIZATION 7-1

7.1 CAPITAL ASSET DEFINITIONS AND GUIDELINES 7-2

 7.1.1 Capital Asset Classification 7-2

 7.1.2 Capitalization Thresholds 7-3

 7.1.3 Capital Asset Acquisition Cost 7-3

 7.1.4 Capital Asset Donations..... 7-3

 7.1.5 Leased Land, Buildings, and/or Equipment..... 7-4

 7.1.6 Calculation of Leased Asset and Liability Amounts 7-4

 7.1.7 Depreciating Capital Assets 7-9

 7.1.8 Residual Value 7-10

 7.1.9 Sale of Capital Assets 7-10

 7.1.10 Computation of Gain and Loss from Sale of Assets..... 7-10

 7.1.11 Assets Acquired by the Exchange of Other Assets..... 7-11

 7.1.12 Assets Held in Trust..... 7-11

 7.1.13 Controlled Assets 7-11

7.2 ACCOUNT NUMBER REFERENCE FOR CAPITAL ASSETS 7-12

7.3 LAND AND LAND IMPROVEMENTS..... 7-14

 7.3.1 Land Definition..... 7-14

 7.3.2 Land Improvement Definition 7-14

 7.3.3 Depreciation Methodology 7-14

 7.3.4 Capitalization Threshold..... 7-14

7.4 BUILDINGS AND BUILDING IMPROVEMENTS..... 7-15

 7.4.1 Building Definition 7-15

 7.4.2 Building Improvement Definition..... 7-15

 7.4.3 Depreciation Methodology 7-15

 7.4.4 Capitalization Threshold..... 7-16

 7.4.5 Building Maintenance Expense 7-17

7.5 FACILITIES AND OTHER IMPROVEMENTS..... 7-19

 7.5.1 Facilities Definition 7-19

 7.5.2 Other Improvements Definition..... 7-19

 7.5.3 Depreciation Methodology 7-19



7.5.4 Capitalization Threshold.....	7-19
7.6 INFRASTRUCTURE.....	7-20
7.6.1 Infrastructure Definition	7-20
7.6.2 Infrastructure Improvements.....	7-20
7.6.3 Jointly Funded Infrastructure.....	7-20
7.6.4 Maintenance Costs	7-20
7.6.5 Preservation Costs.....	7-20
7.6.6 Additions and Improvements.....	7-20
7.6.7 Depreciation Methodology	7-21
7.6.8 Capitalization Threshold.....	7-21
7.7 EQUIPMENT.....	7-23
7.7.1 Equipment Definition.....	7-23
7.7.2 Jointly Funded Equipment	7-23
7.7.3 Depreciation Methodology	7-23
7.7.4 Capitalization Threshold.....	7-23
7.8 LIBRARY BOOKS AND REFERENCE MATERIALS.....	7-25
7.8.1 Library Books and Reference Materials Definition.....	7-25
7.8.2 Library Characteristics.....	7-25
7.8.3 Depreciation Methodology	7-26
7.8.4 Capitalization Threshold.....	7-26
7.9 WORKS OF ART AND HISTORICAL TREASURES.....	7-27
7.9.1 Works of Art and Historical Treasures Definition.....	7-27
7.9.2 Depreciation Methodology	7-27
7.9.3 Capitalization Threshold.....	7-27
7.10 COMPUTER SOFTWARE	7-28
7.10.1 Colleges and Universities (AICPA SOP-98-1).....	7-28
7.10.2 Depreciation Methodology	7-29
7.10.3 Capitalization Threshold.....	7-29
7.11 CONSTRUCTION IN PROGRESS.....	7-30
7.11.1 Construction in Progress Definition.....	7-30
7.11.2 Depreciation Methodology	7-30
7.11.3 Capitalization Threshold.....	7-30
7.12 AUXILIARY ENTERPRISES RENEWAL AND REPLACEMENT (R&R) RESERVE	7-31
7.13 CAPITAL ASSET IMPAIRMENT	7-32
7.14 APPENDICES	7-34
7.14.1 Building Classes of Construction.....	7-34
7.14.2 Building Useful Life by Type and Class of Construction.....	7-35
7.14.3 Useful Lives of Capital Assets.....	7-37
7.14.4 Pro-Forma Depreciation – Total Books.....	7-43
8.0 BUDGET PROCESS	8-1
8.1 THE UNIVERSITY SYSTEM OF GEORGIA BUDGET	8-2
8.1.1 The “A” Budget	8-2



8.1.2 The “B” Budget..... 8-2

8.1.3 The “C” Budget..... 8-2

8.1.4 The “D” Budget 8-2

8.2 ANNUAL BUDGET REQUEST 8-3

8.2.1 Formula Earnings..... 8-3

8.2.2 Enhancement Request..... 8-5

8.2.3 Zero Base Budget Request..... 8-5

8.2.4 Capital Budget Request..... 8-5

8.2.5 Board Approval of Budget Request..... 8-5

8.3 TUITION AND FEES..... 8-6

8.3.1 Tuition – Revenue Projections from Institutions..... 8-6

8.3.2 Mandatory Fees..... 8-6

8.3.3 Housing and Food Service Fees..... 8-7

8.3.4 Miscellaneous Fees 8-7

8.3.5 Approval of All Tuition and Fees 8-7

8.4 INSTITUTIONAL BUDGET REQUEST..... 8-8

8.4.1 Institutional Budget Plans..... 8-8

8.4.2 Institutional Budget Conferences..... 8-8

8.5 ORIGINAL BUDGET 8-9

8.5.1 Salary and Wage Increases 8-9

8.5.2 Budget Allocations..... 8-9

8.5.3 Budget Preparation at the Institution Level 8-10

8.5.4 Submission of Proposed Budget 8-10

8.5.5 Board Approval of Institution’s Original Budget..... 8-11

8.6 BUDGET AMENDMENT 8-12

8.6.1 Identification of Funding Sources..... 8-12

8.6.2 Revenue Adjustments 8-13

8.6.3 Appropriation Amendments..... 8-13

8.6.4 Organization Amendments 8-13

8.6.5 Budget Amendment Submission..... 8-13

8.6.6 Budget Amendments Greater than \$1 Million..... 8-13

8.6.7 Budget Confirmation Report..... 8-13

8.6.8 Final Cleanup Amendment 8-14

9.0 BANKING AND INVESTMENTS..... 9-1

9.1 BANKING 9-2

9.1.1 Original Budget Development 9-2

9.1.2 Selection of Banks for General Operating and/or Payroll Accounts 9-2

9.1.3 Placement of Cash in Time Deposits 9-3

9.1.4 Recording of Interest Earned on Bank Accounts..... 9-3

9.1.5 Bank Depositories..... 9-4

9.1.6 Service on Bank Governing Boards..... 9-4

9.2 INVESTMENTS 9-5



9.2.1 Investment Policy..... 9-5

9.2.2 Pooled Investment Funds..... 9-6

9.3 RELEVANT GEORGIA CODES 9-14

9.3.1 Georgia Code 50-17-2..... 9-14

9.3.2 Georgia Code 50-17-59..... 9-14

9.3.3 Georgia Code 50-17-63..... 9-14

10.0 ACCOUNTS RECEIVABLE..... 10-1

10.1 TYPES OF ACCOUNTS RECEIVABLE 10-2

10.1.1 Student Receivables 10-2

10.1.2 Employee Receivables 10-3

10.1.3 State, Federal, and Similar Receivables Billing..... 10-3

10.1.4 Sponsored Students Deferred Fees 10-4

10.1.5 Auxiliary and Service Enterprises 10-4

10.1.6 Other Receivables 10-4

10.2 GRANTING CREDIT 10-7

10.3 BILLING, COLLECTION, AND ANALYSIS..... 10-8

10.4 UNCOLLECTIBLE AMOUNTS 10-9

10.4.1 Provision for Bad Debts..... 10-9

10.4.2 Death of a Debtor..... 10-13

10.4.3 Other- Accounting Issues for Uncollectible Accounts 10-13

10.4.4 Assigning Receivables to Third Party Collection Agencies 10-14

10.5 ANALYSIS OF RECEIVABLES 10-15

10.6 CONTROL STANDARDS 10-16

10.6.1 Maintenance of Records 10-16

10.6.2 Reconciliation and Review 10-16

10.6.3 Division of Responsibility 10-16

10.7 APPENDICES 10-18

10.7.1 Past Due Notices – Employees and the General Public..... 10-18

10.7.2 Past Due Notices – Student Bills 10-20

10.7.3 Sample Bad Check Demand Letter..... 10-21

10.7.4 Collection Efforts..... 10-22

10.7.5 Accounts Receivable Report for Vice Chancellor for Fiscal Affairs 10-23

10.7.6 Sample Request for Write-off..... 10-24

10.7.7 Sample Request for Establishment of Reserve 10-25

11.0 INVENTORY 11-1

11.1 STATE REQUIREMENTS FOR EQUIPMENT INVENTORY 11-2

11.2 INSURANCE REQUIREMENTS FOR PROPERTY INVENTORY 11-3

11.3 INSTITUTIONAL USE 11-4

11.4 MANDATORY PHYSICAL EQUIPMENT INVENTORY REQUIREMENTS 11-5

11.5 ANNUAL REPORTING OF INVENTORY DATA TO DOAS..... 11-6



11.6 STATE AUDIT REQUIREMENTS	11-7
11.7 INSTITUTIONAL PROCEDURES	11-8
11.7.1 New Equipment	11-8
11.7.2 Off-Site Use of Equipment	11-8
11.7.3 Transfer of Equipment	11-8
11.7.4 Lost, Stolen, or Damaged Equipment	11-9
11.7.5 Disposal of Surplus Property	11-9
11.7.6 Recovered Property.....	11-10
11.7.7 Inventory for Resale.....	11-10
11.7.8 Consumables Inventory	11-10
<u>12.0 PROTECTION AND SECURITY OF RECORDS</u>	12-1
12.1 PURPOSE	12-2
12.1.1 Scope and Restrictions.....	12-2
12.1.2 Institutional Data Definition	12-3
12.1.3 System Data Definition.....	12-3
12.2 DATA MANAGEMENT STRUCTURE	12-4
12.2.1 Data Owner	12-4
12.2.2 Data Trustees	12-4
12.2.3 Data Stewards	12-4
12.2.4 Data Managers	12-5
12.2.5 Data Users.....	12-5
12.3 DATA CLASSIFICATION	12-7
12.3.1 Unrestricted Data	12-7
12.3.2 Sensitive Data	12-7
12.3.3 Confidential Data.....	12-7
12.4 DATA ACCESS	12-8
12.4.1 Data Access.....	12-8
12.4.2 Data Documentation	12-8
12.5 PRIVACY AND SECURITY	12-10
12.5.1 Family Education Rights and Privacy Act (FERPA).....	12-10
12.5.2 Health Insurance Portability and Accountability Act of 1996 (HIPPA).....	12-11
12.5.3 Electronic Communications Privacy Act (ECPA).....	12-12
12.5.4 USA Patriot Act.....	12-12
12.5.5 TEACH Act	12-13
12.5.6 Gramm – Leach – Bliley Act (GLBA)	12-13
12.5.7 Computer Fraud and Abuse Act (CFAA)	12-14
<u>13.0 FINANCIAL MANAGEMENT AND INFORMATION SYSTEMS</u>	13-1
13.1 IMPLEMENTATION OF SOFTWARE CHANGES TO FINANCIAL ACCOUNTING SYSTEMS	13-3
13.2 THIRD PARTY SOFTWARE POLICY	13-4



13.3 GEORGIAFIRST INSTITUTIONS	13-5
13.4 DESCRIPTION OF GEORGIAFIRST PEOPLESOFT FINANCIAL SOFTWARE	
MODULES.....	13-7
13.4.1 Accounts Payable.....	13-7
13.4.2 Accounts Receivable.....	13-7
13.4.3 Asset Management.....	13-7
13.4.4 Budget Prep.....	13-8
13.4.5 General Ledger (including Budgets).....	13-8
13.4.6 Purchasing.....	13-8
13.4.7 Query.....	13-8
13.5 GEORGIAFIRST PEOPLESOFT HRMS.....	13-9
13.6 BANNER STUDENT INFORMATION SYSTEM.....	13-10
13.7 FINANCIAL REPORTING SYSTEM/DATA WAREHOUSE	13-11
<u>14.0 AGENCY FUNDS.....</u>	14-1
14.1 USE OF AGENCY FUNDS.....	14-2
14.2 AGENCY FUND GROUPS.....	14-3
14.2.1 Fund 60000 – Funds Held on Deposit	14-3
14.2.2 Fund 61000 – Agency - Designated Scholarships	14-3
14.2.3 Fund 62000 – Payroll Operations	14-3
14.3 ACCOUNTING PRINCIPLES.....	14-4
<u>15.0 AUXILIARY ENTERPRISE FUNDS.....</u>	15-1
15.1 MANAGERIAL RESPONSIBILITY	15-2
15.2 AUXILIARY ENTERPRISE ACTIVITIES	15-3
15.2.1 Housing Operations	15-3
15.2.2 Food Services.....	15-3
15.2.3 Stores and Shops	15-4
15.2.4 Health Services	15-4
15.2.5 Campus Transportation and Parking.....	15-4
15.2.6 Other Service Units.....	15-5
15.2.7 Intercollegiate Athletics.....	15-6
15.3 AUXILIARY REVENUES AND EXPENDITURES	15-7
15.3.1 Revenues	15-7
15.3.2 Expenditures	15-7
15.4 AUXILIARY ASSETS AND LIABILITIES	15-9
15.4.1 Assets	15-9
15.4.2 Liabilities	15-9
15.5 AUXILIARY REVENUES AND NET ASSETS	15-10
<u>16.0 AUDITS</u>	16-1
16.1 INSTITUTION AUDIT STAFF, BOARD OF REGENTS AUDIT STAFF, STATE	



DEPARTMENT OF AUDITS AND ACCOUNTS, AND THIRD-PARTY AUDITS..... 16-3

- 16.1.1 Institutional Audit Staff 16-3
- 16.1.2 Board of Regents Audit Staff..... 16-4
- 16.1.3 State Department of Audits and Accounts..... 16-4
- 16.1.4 Third-Party Audits 16-5

16.2 TYPES OF AUDITS 16-6

- 16.2.1 Operational..... 16-6
- 16.2.2 Financial..... 16-6
- 16.2.3 Compliance 16-6
- 16.2.4 Asset Verification 16-6
- 16.2.5 Loss/Fraud..... 16-6
- 16.2.6 Presidential Transition 16-6
- 16.2.7 Information Technology 16-6
- 16.2.8 Consultant Services..... 16-7

16.3 AUDIT PROCESS 16-8

- 16.3.1 Audit Planning 16-8
- 16.3.2 Audit Selection..... 16-8
- 16.3.3 Audit Scheduling and Notification 16-9
- 16.3.4 Conducting the Audit..... 16-9
- 16.3.5 Exit Conference 16-9
- 16.3.6 Closing the Audit..... 16-10
- 16.3.7 Follow-Up Review..... 16-10
- 16.3.8 Exception Ratings 16-10
- 16.3.9 State Department of Audits and Accounts Report Ratings..... 16-12

16.4 FRAUD, WASTE, AND ABUSE 16-14

- 16.4.1 General Definitions of Fraud, Waste, and Abuse 16-14
- 16.4.2 Duties and Responsibilities..... 16-14
- 16.4.3 Investigation..... 16-15
- 16.4.4 Campus Triage Committees..... 16-15
- 16.4.5 Relationship between Campus Triage Committees and the Associate Vice
Chancellor for Internal Audits 16-15

17.0 AFFILIATED ORGANIZATIONS 17-1

- 17.1 DEFINITION..... 17-2**
- 17.2 MEMORANDUM OF AGREEMENT..... 17-3**
- 17.3 FINANCIAL REPORTING..... 17-4**
- 17.4 ADJUSTMENTS REQUIRED TO CONVERT FOUNDATION DISPLAY TO GASB
REQUIREMENTS..... 17-5**
 - 17.4.1 Adjustments Required for the Balance Sheet/Statement of Net Assets..... 17-5
 - 17.4.2 Adjustments Required for the Statement of Revenues, Expenditures, and
Changes in Net Assets 17-8
 - 17.4.3 Other Adjustments 17-9
 - 17.4.4 Eliminations 17-10



17.4.5 Footnote Disclosures..... 17-10

**18.0 MAJOR REPAIR AND REHABILITATION FUNDS AND GSFIC PROJECTS
MANAGED BY INSTITUTIONS..... 18-1**

18.1 MRR FORMULA AND ALLOCATIONS 18-2

 18.1.1 MRR Formula 18-2

 18.1.2 MRR Allocations 18-2

18.2 PROJECT DEVELOPMENT PROCESS 18-3

18.3 PROJECT PAYMENT PROCESS 18-4

 18.3.1 State Appropriated MRR 18-4

 18.3.2 GSFIC-Funded MRR and Institution-Managed Projects..... 18-5

18.4 PROCEDURES FOR YEAR END ENCUMBRANCES 18-8

19.0 MISCELLANEOUS 19-1

19.1 UNCLAIMED PROPERTY..... 19-2

 19.1.1 Definition 19-2

 19.1.2 Contacting the Owner 19-3

 19.1.3 Reporting to the Commissioner of Revenue..... 19-3

 19.1.4 Institutional Responsibilities..... 19-4

19.2 GIFTS AND DONATIONS 19-6

19.3 PAYMENT OF DUES TO A CHAMBER OF COMMERCE..... 19-7

**19.4 AUTOMATED SYSTEM FOR DELIVERING STATE APPROPRIATIONS TO
INSTITUTIONS AND PUBLIC LIBRARIES..... 19-8**

 19.4.1 Cash Draws from the Treasury to Institutions 19-8

 19.4.2 Cash Draws from the Treasury to Libraries..... 19-8

19.5 INTERNAL CONTROL PROCEDURES FOR WIRE TRANSFERS 19-9

 19.5.1 Transfer In..... 19-9

 19.5.2 Transfer Out..... 19-9

 19.5.3 Audit and Control 19-9

19.6 SALES TAX COLLECTION AND REPORTING 19-10

19.7 EMPLOYEE GROUP MEALS 19-11

20.0 REQUIRED REPORTS..... 20-1

20.1 ANNUAL FINANCIAL REPORTS 20-2

 20.1.1 Annual Financial Report..... 20-2

 20.1.2 Annual Expenditure Report 20-2

 20.1.3 Cooperative Organization Financial Statements..... 20-2

 20.1.4 Annual Report of Gifts, Bequests, Agreements, and Declarations of Trust 20-2

 20.1.5 DOAS Inventory Report 20-3

 20.1.6 Changes in Investment Policy..... 20-3

 20.1.7 Investment Performance 20-3

 20.1.8 Non-Lapsing Funds..... 20-3

20.2 PERIODIC FINANCIAL REPORTS..... 20-4



20.2.1 Data Warehouse Financial Information 20-4

20.2.2 Gifts Valued Over \$100,000 20-4

20.2.3 IPEDS (Integrated Postsecondary Education Data System) Reports 20-4

20.2.4 Small and Minority Vendor Quarterly Report 20-4

20.2.5 Grants and Contracts with Nonprofit Organization Reports..... 20-4

20.2.6 ICAPP Project Compliance Report..... 20-5

20.2.7 ICAPP Final Evaluation Report..... 20-5

20.3 PAYROLL REPORTS 20-6

20.3.1 Health Care Reporting and Premium Remittance..... 20-6

20.3.2 Teachers Retirement System Reporting and Deduction Remittance 20-6

20.3.3 Employees Retirement System Reporting and Deduction Remittance..... 20-6

20.3.4 Georgia Defined Contribution Program Reporting and Deduction
Remittance 20-7

20.3.5 Submission of Georgia Income Tax Withheld to the Georgia Department of
Revenue..... 20-7

20.3.6 Submission of Quarterly Reporting to the Georgia Department of Labor..... 20-8

20.3.7 Submission of Annual Reporting to the Georgia Department of Labor 20-8

20.3.8 Submission of Annual Reporting to the Department of Audits and Accounts ... 20-8

20.4 FACILITIES AND ENVIRONMENTAL SAFETY REPORTS 20-9

20.4.1 Report on Rented Space..... 20-9

20.4.2 Housing Leases Report 20-9

20.4.3 MRR, Capital, and Construction Projects Status Report 20-9

20.4.4 A/E Contract Report 20-9

20.4.5 Actual MMR Expenditures Report 20-9

20.4.6 Facilities Inventory Report 20-9

20.4.7 RTK Chemical Inventories Report 20-10

20.4.8 Emergency Action Plans..... 20-10

21.0 STUDY ABROAD PROGRAMS 21-1

21.1 ESTABLISHMENT, APPROVAL, AND BUDGETING 21-2

21.2 REGISTRATION AND FEE PAYMENT 21-3

21.3 ACCOUNTING 21-4

21.4 ACQUIRING GOODS AND SERVICES ABROAD..... 21-5