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## 3.1 Manuals

To insure consistency throughout the university system, the Board of Regents has published the following manuals for use by institutions. This Clayton State University manual is considered a further interpretation of the Board of Regents manuals.

Business Procedures Manual (BPM) of the University System of Georgia which sets forth essential procedural components USG institutions must follow to meet Board of Regents policy mandates and the statutory or regulatory requirements of the state of Georgia and the federal government. The manual is available from the following website: [http://www.usg.edu/business\\_procedures\\_manual/](http://www.usg.edu/business_procedures_manual/).

GeorgiaFirst Financials, University System of Georgia. All documentation for the GeorgiaFirst Financials is available from the following website: <http://www.usg.edu/gafirst-fin/>. A password is required to download documentation. The password may be obtained from the CSU Controller.

The policies and procedures of these manuals are incorporated into and become a part of this Manual. Because these manuals by their nature apply only to the Accounting Services personnel, their contents are made a part of this manual by reference, not by reproduction.

## 3.2 Other Authoritative Documents

The GeorgiaFirst Financials System, an implementation of PeopleSoft Financials, as it is currently formulated, developed and operated is the result of many contributing documents, publications, and other factors. Among them are the following:

- Laws and statutes of the State of Georgia
- Policies, procedures, regulations, directives, memoranda, manuals etc. of the Board of Regents, University System of Georgia
- Federal agency regulations and requirements
- College and University Business Administration, 1982 and The Business and Finance Services Manual of the National Association of College and University Business Officers
- Higher Education Finance Manual, a project of the Department of Education, Department of Health and Human Services and NCHEMS (National Center for Higher Education Management Systems)
- Audits of Colleges and Universities, the AICPA (American Institute of Certified Public Accountants) industry audit guide

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- The Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statement and Management's Discussion and Analysis for State and Local Government
  - The Government Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statement and Management's Discussion and Analysis for Public Colleges and Universities

Personnel of the Accounting Services Department must be familiar with the requirements of all authoritative literature concerning Fund Accounting and Reporting.

### **3.3 General Policies for the Accounting System**

#### **3.3.1 Scope of the System**

With the constantly increasing requirements and needs for fiscal, financial, and other management information, and the increased need and demand for accountability in the public sector, the complexity of Fiscal Affairs operations in colleges and universities equals or exceeds that of large business or industrial enterprises. The PeopleSoft Financials (P/S) System of the University System of Georgia, as operated and used by and for Clayton State University, is the vehicle through which all fiscal affairs (Budget and Finance) transactions are organized, classified, recorded, processed, reported and managed. It is a system capable of responding to changing conditions and shifting requirements, the implementation of which will be limited by the skills of its available operating personnel and the versatility of data processing equipment, both hardware and software.

#### **3.3.2 Basis of Accounting**

For financial reporting purposes, Clayton State University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-university/college transactions will be eliminated.

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### **3.3.3 Salaries and Wages**

Salaries and Wages earned in one fiscal year must be expended and reported for that fiscal year. If earned in one fiscal year and paid in the following fiscal year, they must be reported as accrued payrolls.

### **3.3.4 Contractual Services and Materials**

Contractual services performed and invoiced, and materials received and invoiced, for which payment has not been made at the balance sheet date, are reported as accounts payable.

### **3.3.5 Receipts**

Receipts collected before the end of the fiscal year that are payment for services in the next fiscal year, such as fees for use of facilities and student advance payments, are reported as deferred revenues.

### **3.3.6 Inventories**

Consumable supplies are carried at the lower of cost or market on the first-in, first-out (“FIFO”) basis of accounting.

### **3.3.7 Summer School**

When the beginning and ending dates of a summer school session are in two fiscal years, revenues and expenditures are split and reported when earned and/or incurred. The revenues include tuition, mandatory fees and course fees. Salary dollars are posted in the month in which they were earned by employees.

### **3.3.8 Responsibilities of the Accounting Services Department**

The Controller serves as the university's financial and accounting officer reporting to the Vice President for Business & Operations and, in this position, is responsible for providing financial leadership and direction in the performance of all financial functions of Clayton State University. Specific duties and responsibilities assigned to the Office of Budget and Finance include the following:

- Financial policy development
- Financial controls

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- Financial analysis
  - Financial reporting
  - Financial agreements
  - Receipt and custody of funds
  - Payments for goods and services
  - Payrolls
  - Cashiering
  - Student billings
  - Cash management
  - Training of Accounting Services staff
  - General accounting operations
  - Auditor liaison

The Controller is also responsible for ensuring that all accounting functions, systems, etc. are in full compliance with the authoritative literature cited above. He/she is responsible for the review of the university's chart of accounts to ensure that each complies with this authoritative literature and, in particular, the Board of Regents Business Procedures Manual.

A monthly review will be conducted by Budget & Finance staff and reviewed by the Director of Accounting Services and/or the Controller and documentation to such will be placed on the z drive (CSU network data storage) so that it is available for review by the Vice President of Business & Operations and others. (SAS112 documentation) The documentation/review must ascertain the status of each university account, including the determination that all accounts are properly classified, current and in compliance with "industry" standards cited above. Any accounts not in full compliance must be adjusted immediately and those accounts that are no longer in use and/or that have unused balances will be closed and the balances disposed of appropriately.

Any deviations from these established "industry" standards must be reported to the Vice President of Business and Operations and to the staff of the Board of Regents, if applicable.

### **3.3.9 PeopleSoft Financials (P/S) System Structure and Codes**

The P/S (PeopleSoft Financials System) is based upon the fundamental college and university accounting principles that all funds have a source and a use--in other words, fund accounting as compared with profit and loss accounting in commercial and industrial enterprises. This system requires individual

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stewardship for the financial resources received and the manner in which they are expended. Stewardship is accomplished by separate identification for each entity. Individual entities (projects) with similar characteristics are placed in a fund group, each entity within a fund group having its own set of assets, liabilities and fund balance.

The P/S accounting system uses a chart string ~~from~~ for recording transactions that consists of a six digit account number, a five digit Fund Number, a seven digit Department ID, a five digit Program Code, a five digit Class Code, and sometimes a Project/Grant code whose length varies.

Users are referred to the Board of Regents Business Procedures Manual Section 1 for Accounting Principles and Definition and Section 2 for a detailed description and explanation of the chart of accounts.

### **3.3.10 Basic Financial Reports and Statements**

Through the P/S system the Accounting Services Department can generate various financial reports and statements for use by appropriate administrators to use in planning and analysis.

The basic, standard reports used are as follows:

- Budget Progress Report by department
- Trial Balance Report,
- Revenue Ledger Report

All departments of the university have the authority to run their own reports out of PeopleSoft (Expenditures Report, Comparison of Budget to Actual Expenditures, and the like).

### **3.3.11 University Bank Accounts**

The president of each USG institution shall determine the bank or banks where funds are deposited through a best value competitive contract bid process to be undertaken every five (5) years (BOR Minutes, April 2005). The president shall inform the USG chief fiscal officer of the bank or banks where funds are deposited. It shall be the duty of the Treasurer of the Board to handle all details relative to the bank or banks furnishing the required depository protection (BOR Minutes, 1949-50, p. 251; February 1996).

The USG chief fiscal officer shall appoint a person or persons at each USG institution with authority to sign checks drawn on banks where funds of the respective institutions

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are deposited. Persons so appointed shall be authorized to sign any documents that may be required by the banks concerned (BOR Minutes, 1952-53, p. 365).