



## *Statewide Business Process Policy & Procedure*

### **Business Process Reference:**

Section: Budget  
Title: Agency Managed General Obligation (G.O.) Bond  
Projects

**Effective Date:** 07/01/2017

**Revision Date:** 07/01/2017

### **Index:**

[Background](#)

[Business Policy Summary](#)

[Business Process Policy and Requirements](#)

[Monitoring](#)

[Authority](#)

[Applicability](#)

[Definition](#)

### **Background:**

Utilization of a Capital Projects Fund (CPF) ensures that activity is recorded in the appropriate manner outlined by generally accepted accounting principles (GAAP). Also, use of a CPF reduces the need for elimination entries relating to duplicate reporting at the beneficiary organization and Georgia State Financing and Investment Commission (GSFIC) within the primary government at the government-wide financial statement. Overall, this provides for consistent accountability and reporting standards throughout the State.

### **Business Policy Summary:**

This policy is intended to provide organizations guidance on accounting for certain agency-managed general obligation bond (G.O. bond) projects (project), which are G.O. bond funded construction projects where the organization retains complete responsibility for project administration (agency managed). **With the exception of capital related outflows generated by component units, fiduciary funds and proprietary funds, all revenue and expenditure/expense for each project should be recorded by the organization in its accounting records in a CPF.**

### **Business Process Policy and Requirements:**

Organizations presented in the Budget Fund, regardless of GAAP fund type, should record projects as part of the Budget Fund as outlined below:

- Include project information in the Office of Planning and Budget's (OPB) budget system, by program and funding source
- Record agency managed activity by funding source within a specified program, which excludes program NONE.
- Identifiers should also be used to track the activity separately for each project.

- For organizations on Teamworks which are required to record activity in a CPF (as discussed in the Business Process Policy section) record projects activity in either fund 50100 (GSFIC) or 50600 (Construction Project Fund). Additionally, these funds must set to controlled.

Additionally, consistent with SAO's GSFIC Reimbursements for Bond Funded Construction Projects policy, general obligation bond proceeds received from GSFIC should be recorded as operating transfers in. All revenue and expenditure/expense for each project funded with general obligation bond proceeds received from GSFIC must be recorded by the organization in its accounting records in the Capital Projects Fund. However, it is optional to record funds other than those received by GSFIC (e.g. Federal match dollars) in the CPF. If an organization chooses to record revenues received from sources other than GSFIC in the CPF, the revenue should be recorded in the applicable fund source and revenue account based on the funds received. For organizations on Teamworks, revenues received from GSFIC should be recorded in account 474002 (OFS-Proceeds of G.O. Bonds).

Furthermore, as the GSFIC portion of G.O. bond projects funds are typically reimbursement based, it is not common to have ending fund balance remaining in a CPF for any GSFIC funding sources.

#### **Monitoring:**

On a basis, no less frequently than annually (more frequent monitoring is encouraged), organizations must review their CPF ledger for compliance with this policy. Also, these ledgers should be reviewed periodically to ensure any ending fund balances remaining are appropriate.

#### **Authority:**

Official Code of Georgia Annotated (OCGA) 50-5B-3 provides that the state accounting officer shall prescribe state-wide accounting policies, procedures, and practices, and uniform state accounting systems which meet state and federal accounting and financial reporting requirements.

- Memorandum from OPB and SAO dated September 9, 2015, *Recording Agency Managed G.O. Bond Projects*

#### **Applicability:**

This policy applies to all state organizations in the State of Georgia that are eligible to participate in the Program. All personnel with accounting and financial reporting responsibilities, at these participating state organizations, should be knowledgeable of this policy, in addition to the requirements in the respective Federal publications.

#### **Definitions:**

***Agency Managed G.O. project*** – construction projects funded by G.O. bonds where the organization retains complete responsibility for project administration.

***Budget Fund*** – The fund used to account for activities and programs as set forth in the amended Appropriations Act of each fiscal year.

***Capital Projects Fund*** – These funds account for the acquisition or construction of capital facilities. For governmental funds, G.O. bond funded projects are required to be reported in a capital projects fund.