

HOUSE BILL 954

Introduced by J. Johnson, et al.

2/20	Introduced
2/20	Referred to Appropriations
2/20	First Reading
3/06	Hearing
3/11	Tabled in Committee

1 HOUSE BILL NO. 954
 2 INTRODUCED BY John James Maguire
 3 Narko D. Jones

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE TRUSTEES
 5 OF A SCHOOL DISTRICT TO ACCOUNT FOR FUNDS OF THE DISTRICT
 6 OUTSIDE THE OFFICE OF THE COUNTY TREASURER; AMENDING
 7 SECTIONS 7-6-2801, 20-3-208, 20-7-507, 20-9-121, 20-9-206,
 8 20-9-212, 20-9-213, AND 20-9-221, MCA; AND PROVIDING AN
 9 EFFECTIVE DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 7-6-2801, MCA, is amended to read:

13 "7-6-2801. Management of school funds. The county
 14 treasurer ~~must~~ shall, except as provided in 20-9-213(2):

15 (1) keep all school money in a separate fund and keep a
 16 separate account of its disbursement to the several school
 17 districts which that are entitled to receive it, according
 18 to the apportionment of the county superintendent of
 19 schools;

20 (2) notify the county superintendent of the amount of
 21 the county school fund in the county treasury subject to
 22 apportionment, whenever required, and inform him of the
 23 amount of school money belonging to any other fund subject
 24 to apportionment, or as otherwise provided by law;

25 (3) pay all warrants drawn on county or district school

1 money, in accordance with the provisions of law, whenever
 2 such the warrants are countersigned by the district clerk
 3 and properly endorsed by the holders;

4 (4) make annually, during the month of September, a
 5 financial report for the preceding year ending August 31 to
 6 the county superintendent, in such the required form ~~as-is~~
 7 required-by-him."

8 **Section 2.** Section 20-3-208, MCA, is amended to read:

9 "20-3-208. Authority to request, accept, and disburse
 10 money. (1) A county superintendent may, with the advice and
 11 consent of the appropriate school boards, request and accept
 12 money made available from federal, state, or private sources
 13 for purposes of public education.

14 (2) Subject to applicable federal and state guidelines
 15 and, in the case of money received from private sources,
 16 subject to any guidelines fixed by the donor, a county
 17 superintendent may, in his discretion, disburse money
 18 received under this section to one or more public elementary
 19 or high school districts according to their needs. The
 20 county superintendent shall supervise the utilization of
 21 such the money with the approval of the appropriate school
 22 boards.

23 (3) ~~The~~ Except as provided in 20-9-213(2), the county
 24 superintendent may establish a fund, for which the county
 25 treasurer shall maintain a separate accounting, for the



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1 deposit of money received under this section."

2 **Section 3.** Section 20-7-507, MCA, is amended to read:

3 "20-7-507. District traffic education fund. The Except
4 as provided in 20-9-213(2), the trustees of any a district
5 maintaining a traffic education course shall establish a
6 special nonbudgeted fund with the county treasurer for
7 traffic education. The state traffic education reimbursement
8 and all nontax receipts for traffic education shall must be
9 deposited in the district's traffic education fund. The
10 expenditure of the moneys deposited in the district's
11 traffic education fund shall is not be subject to the
12 budgeting provisions of this title and the moneys may be
13 expended for traffic education."

14 **Section 4.** Section 20-9-121, MCA, is amended to read:

15 "20-9-121. County treasurer's statement of cash
16 balances and bond information. (1) By Except as provided in
17 20-9-213(2), by July 10, the county treasurer shall prepare
18 a statement for each district showing the amount of cash on
19 hand for each fund maintained by the district and the amount
20 of the outstanding obligations against each fund at the
21 close of the last completed school fiscal year. The county
22 treasurer shall also include on each district's statement
23 the details on the obligation for bond retirement and
24 interest for the school fiscal year just beginning. The
25 format of the statement on fund cash balances and bond

1 information shall must be prescribed by the superintendent
2 of public instruction.

3 (2) By July 10, the county treasurer shall prepare a
4 statement for each county school fund supported by
5 countywide levies, showing the amount of cash on hand at the
6 beginning of the school fiscal year, the receipts and
7 apportionments, and the amount of cash on hand at the end of
8 the school fiscal year, for each county school fund
9 maintained during the immediately preceding school fiscal
10 year. The format of this statement shall must be prescribed
11 by the superintendent of public instruction.

12 (3) On or before July 10, the county treasurer shall
13 deliver the statements of district and county fund cash
14 balances and the bond information for each district to the
15 county superintendent who shall attach such the district
16 statements to the applicable district's preliminary budget."

17 **Section 5.** Section 20-9-206, MCA, is amended to read:

18 "20-9-206. Entering appropriations on accounting
19 records of county treasurer. (1) When Except as provided in
20 20-9-213(2), when the county treasurer receives the final
21 budgets of the districts from the county superintendent, he
22 the county treasurer shall open a fund for each budgeted
23 fund included on the final budget of each district by
24 entering the amount appropriated for the fund on his the
25 accounting record.

1 (2) Whenever the county treasurer receives a final
 2 emergency budget for a district from the county
 3 superintendent, he the county treasurer shall increase the
 4 amount of the regularly adopted final budget by the amount
 5 of the emergency budgeted fund included on the final
 6 emergency budget."

7 **Section 6.** Section 20-9-212, MCA, is amended to read:

8 **"20-9-212. Duties of county treasurer.** The Except as
 9 provided in 20-9-213(2), the county treasurer of each county
 10 shall:

11 (1) receive and hold all school money subject to
 12 apportionment and keep a separate accounting of its
 13 apportionment to the several districts which are entitled to
 14 a portion of the money according to the apportionments
 15 ordered by the county superintendent. A separate accounting
 16 must be maintained for each county fund supported by a
 17 countywide levy for a specific, authorized purpose,
 18 including:

19 (a) the basic county tax in support of the elementary
 20 foundation programs;

21 (b) the basic special tax for high schools in support
 22 of the high school foundation programs;

23 (c) the county tax in support of the county's high
 24 school transportation obligation;

25 (d) the county tax in support of the elementary and

1 high school district retirement obligations; and

2 (e) any other county tax for schools, including the
 3 community colleges, which may be authorized by law and
 4 levied by the county commissioners;

5 (2) whenever requested, notify the county
 6 superintendent and the superintendent of public instruction
 7 of the amount of county school money on deposit in each of
 8 the funds enumerated in subsection (1) of this section and
 9 the amount of any other school money subject to
 10 apportionment and apportion the county and other school
 11 money to the districts in accordance with the apportionment
 12 ordered by the county superintendent;

13 (3) keep a separate accounting of the expenditures for
 14 each budgeted fund included in the final budget of each
 15 district;

16 (4) keep a separate accounting of the receipts,
 17 expenditures, and cash balances for each budgeted fund
 18 included in the final budget of each district and for each
 19 nonbudgeted fund established by each district;

20 (5) except as otherwise limited by law, pay all
 21 warrants properly drawn on the county or district school
 22 money and properly endorsed by their holders;

23 (6) receive all revenue collected by and for each
 24 district and deposit these receipts in the fund designated
 25 by law or by the district if no fund is designated by law.

1 Interest and penalties on delinquent school taxes shall be
2 credited to the same fund and district for which the
3 original taxes were levied.

4 (7) send all revenue received for a joint district,
5 part of which is situated in his county, to the county
6 treasurer designated as the custodian of the revenue, no
7 later than December 15 of each year and every 3 months
8 thereafter until the end of the school fiscal year;

9 (8) at the direction of the trustees of a district,
10 assist the district in the issuance and sale of tax and
11 revenue anticipation notes as provided in Title 7, chapter
12 6, part 11;

13 (9) register district warrants drawn on a budgeted fund
14 in accordance with 7-6-2604 when there is insufficient money
15 available in all funds of the district to make payment of
16 the warrant. Redemption of registered warrants must be made
17 in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

18 (10) invest the money of any district as directed by the
19 trustees of the district within 3 working days of the
20 direction;

21 (11) each month give to the trustees of each district an
22 itemized report for each fund maintained by the district,
23 showing the paid warrants, outstanding warrants, registered
24 warrants, amounts and types of revenue received, and the
25 cash balance;

1 (12) remit promptly to the state treasurer receipts for
2 the county tax for a vocational-technical center when levied
3 by the board of county commissioners under the provisions of
4 20-16-202; and

5 (13) invest the money received from the basic county tax
6 in support of the elementary foundation programs and the
7 basic special tax in support of the high school foundation
8 programs within 3 working days of receipt. The money must be
9 invested until the working day before it is required to be
10 distributed to school districts within the county or
11 remitted to the state. Permissible investments are specified
12 in 20-9-213(4). All investment income must be deposited, and
13 credited proportionately, in the funds established to
14 account for the taxes received for the purposes specified in
15 subsections (1)(a) and (1)(b); and

16 (14) remit, upon request of the trustees of a district
17 for the purposes of 20-9-213(2), on:

18 (a) a weekly basis, any district money received by the
19 county treasurer on behalf of the district; or

20 (b) a monthly basis, any district money, including any
21 interest collected for the period on investment of the money
22 by the county treasurer."

23 **Section 7.** Section 20-9-213, MCA, is amended to read:

24 "20-9-213. Duties of trustees. (1) The trustees of each
25 a district shall have the sole power and authority to

1 transact all fiscal business and execute all contracts in
 2 the name of the district. No A person other than the
 3 trustees acting as a governing board may not expend money of
 4 the district. In conducting the fiscal business of the
 5 district, the trustees shall:

6 {3}(a) cause the keeping of an accurate, detailed
 7 accounting of all receipts and expenditures of school money
 8 for each fund maintained by the district in accordance with
 9 generally accepted accounting principles and the rules
 10 prescribed by the superintendent of public instruction. The
 11 record of the accounting must be open to public inspection
 12 at any meeting of the trustees.

13 {2}(b) authorize all expenditures of district money and
 14 cause warrants to be issued for the payment of lawful
 15 obligations;

16 {3}(c) issue warrants or checks on any budgeted fund in
 17 anticipation of budgeted revenues, except that the
 18 expenditures may not exceed the amount budgeted for the
 19 fund;

20 {4}(d) invest any money of the district, whenever in
 21 the judgment of the trustees the investment would be
 22 advantageous to the district, by directing the county
 23 treasurer to invest any money of the district in direct
 24 obligations of the United States government; in savings or
 25 time deposits in a state or national bank, building or loan

1 association, savings and loan association, or credit union
 2 insured by the FDIC, FSLIC, or NCUA located in the state; or
 3 in a repurchase agreement as authorized in 7-6-213. All
 4 interest collected on the deposits or investments must be
 5 credited to the fund from which the money was withdrawn,
 6 except that interest earned on account of the investment of
 7 money realized from the sale of bonds must be credited to
 8 the debt service fund or the building fund, at the
 9 discretion of the board of trustees. The placement of the
 10 investment by the county treasurer is not subject to ratable
 11 distribution laws and must be done in accordance with the
 12 directive from the board of trustees. A district may invest
 13 money under the state unified investment program established
 14 in Title 17, chapter 6.

15 {5}(e) cause the district to record every transaction
 16 in the appropriate account before the accounts are closed at
 17 the end of the fiscal year in order to properly report the
 18 receipt, use, and disposition of all money and property for
 19 which the district is accountable;

20 {6}(f) report annually to the county superintendent,
 21 not later than August 1, the financial activities of each
 22 fund maintained by the district during the last completed
 23 school fiscal year, on the forms prescribed and furnished by
 24 the superintendent of public instruction. Annual fiscal
 25 reports for joint school districts must be submitted to the

1 county superintendent of each county in which part of the
2 joint district is situated.

3 †7)†(g) whenever requested, report any other fiscal
4 activities to the county superintendent, superintendent of
5 public instruction, or board of public education;

6 †8)†(h) cause the accounting records of the district to
7 be audited biennially as required by 2-7-503; and

8 †9)†(i) perform, in the manner permitted by law, other
9 fiscal duties that are in the best interests of the
10 district.

11 (2) (a) The trustees may account for the funds of a
12 district outside the office of the county treasurer,
13 provided that the trustees:

14 (i) adopt a resolution stating the intent to account
15 for district funds in this manner in the ensuing school
16 fiscal year; and

17 (ii) provide the county treasurer with a copy of the
18 resolution of intent prior to July 1 of an ensuing school
19 fiscal year.

20 (b) When the trustees elect to account for the funds of
21 a district, the trustees shall:

22 (i) receive and hold all revenues collected by the
23 district and deposit the receipts in the fund designated by
24 law;

25 (ii) receive and hold all school money subject to

1 apportionment that is collected by the county treasurer,
2 including any interest and penalties on delinquent taxes
3 that are credited to a fund for which the original taxes
4 were levied;

5 (iii) keep a separate accounting of the receipts,
6 expenditures, and fund balances for each budgeted fund
7 included in the final budget of the district and for each
8 nonbudgeted fund of the district;

9 (iv) register all warrants drawn on a budgeted fund in
10 accordance with 7-6-2603 when there is insufficient money
11 available in all funds of the district to make payment of
12 the warrant;

13 (v) pay all warrants and checks drawn on district money
14 and properly endorsed by a holder of a warrant; and

15 (vi) invest the money of the district as specified in
16 subsection (1)(d)."

17 **Section 8.** Section 20-9-221, MCA, is amended to read:

18 "20-9-221. Procedure for issuance of warrants. (1) The
19 trustees of each a district shall issue all warrants, and
20 the warrants shall must identify:

21 (a) the budgeted fund or nonbudgeted fund on which the
22 warrant is drawn; and

23 (b) the warrant as an emergency warrant if it is drawn
24 on an emergency budget.

25 (2) Any warrant issued by a district shall must be

1 countersigned by the chairman of the trustees and the clerk
 2 of the district before the warrant ~~shall be~~ is negotiable.
 3 Facsimile signatures may be used in accordance with the
 4 provisions of 2-16-114. A facsimile signature device used
 5 under authority of this section ~~must~~ may not be available to
 6 the other countersigner of the warrant, or the device must
 7 have a nonresettable metering control that can provide a
 8 positive reconciliation between the number of warrants
 9 issued and the number of signatures applied. Either split
 10 signature plates or a double signature plate may be used
 11 according to the requirements of the district. The signature
 12 plates and the device keys must be kept secure by the
 13 district clerk under the supervision of the board of
 14 trustees of the district.

15 (3) ~~The~~ Except as provided in 20-9-213(2), the trustees
 16 shall issue warrants in single copy or in triplicate copy.
 17 When the warrants are issued in single copy, the trustees
 18 shall immediately provide a listing of the issued warrants
 19 on a fund-by-fund basis to the county treasurer and retain a
 20 copy of the listing in the district accounting records. When
 21 the warrants are issued in triplicate, the original copy of
 22 the warrant ~~shall~~ must be delivered to the payee, the
 23 duplicate ~~shall~~ must be sent immediately to the county
 24 treasurer, and the triplicate ~~shall~~ must be retained by the
 25 district for accounting record purposes. The duplicate and

1 triplicate copies ~~shall~~ must be identified on the face of
 2 the warrant as "Not Negotiable--Copy of Original".

3 (4) However, the trustees may elect to issue warrants
 4 in payment of wages and salaries on a direct deposit basis
 5 to the employee's account in a local bank, provided the
 6 consent of the employee has been obtained and the employee
 7 is given an itemized statement of payroll deductions for
 8 each pay period."

9 NEW SECTION. Section 9. Effective date. [This act] is
 10 effective July 1, 1991.

-End-