

1 H BILL NO. 407  
 2 INTRODUCED BY Long Ellis Sully  
 3 BY REQUEST OF THE BOARD OF REGENTS  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ADDING TO THE TREASURY  
 6 FUND STRUCTURE THOSE FUNDS NEEDED TO PROPERLY MANAGE THE  
 7 FINANCIAL AFFAIRS OF MONTANA'S COLLEGES AND UNIVERSITIES AND  
 8 TO PROVIDE THE CONDITIONS UNDER WHICH EXPENDITURES MAY BE  
 9 MADE FROM THOSE FUNDS; AMENDING SECTIONS 79-410 AND 79-415,  
 10 R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

13 Section 1. Section 79-410, R.C.M. 1947, is amended to  
 14 read as follows:

15 "79-410. Fund structure. There are in the state  
 16 treasury only the following funds:

17 (1) General fund. The general fund consists of all  
 18 moneys deposited in the state treasury which are available  
 19 to defray the general costs of state government and which do  
 20 not fall into one of the categories enumerated below.

21 (2) Earmarked revenue fund. The earmarked revenue fund  
 22 consists of moneys from state sources deposited in the state  
 23 treasury which are specifically earmarked by law for the  
 24 purpose of defraying the costs of a particular agency,  
 25 program, or function of state government.

1 (3) Sinking fund. The sinking fund consists of moneys  
 2 deposited in the state treasury for the payment of principal  
 3 and interest, and the accumulation of reserves for bonded or  
 4 other indebtedness.

5 (4) Federal and private revenue fund. The federal and  
 6 private revenue fund consists of all expendable moneys  
 7 deposited in the state treasury from federal or private  
 8 sources, including trust income, which are to be used for  
 9 the operation of state government.

10 (5) Federal and private grant clearance fund. The  
 11 federal and private grant clearance fund consists of all  
 12 expendable moneys deposited in the state treasury from  
 13 federal or private sources, including trust income, which  
 14 the state disburses to persons, associations or units of  
 15 local government. When the final disposition of expendable  
 16 federal or private moneys is unknown at the time of receipt,  
 17 they shall be deposited in the federal and private grant  
 18 clearance fund; but those moneys to be used for the  
 19 operation of state government shall be transferred to the  
 20 federal and private revenue fund prior to disbursement.

21 (6) Bond proceeds and insurance clearance fund. The  
 22 bond proceeds and insurance clearance fund consists of

23 (a) Moneys deposited in the state treasury obtained  
 24 from the sale of bonds, certificates of indebtedness or  
 25 similar obligations.

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1 (b) Moneys indemnifying the state for loss or damage  
2 of property.

3 (7) Revolving fund. The revolving fund consists of  
4 moneys used to

5 (a) Defray reimbursable expenditures, and

6 (b) Supply working capital for enterprise-type  
7 operations.

8 (8) Trust and legacy fund. The trust and legacy fund  
9 consists of moneys deposited in the state treasury which the  
10 state administers as a trustee pursuant to a law or a trust  
11 agreement restricting the use of the money for a specified  
12 purpose and prohibiting the expenditure of the principal for  
13 a period of at least five (5) years.

14 (9) Agency fund. The agency fund consists of moneys  
15 deposited in the state treasury which are held and disbursed  
16 by the state as a custodian or agent, and includes, but not  
17 limited to moneys held for the purpose of paying insurance  
18 or retirement benefits, moneys arising from lost or  
19 unclaimed property, and other moneys of a similar nature.

20 (10) University current fund. The university current  
21 fund consists of moneys deposited in the state treasury  
22 which are used to pay current operating costs relating to  
23 instruction, research, public services, and allied support  
24 operations and programs conducted within the Montana  
25 university system. The financial activities of the

1 university current fund shall be subdivided, for operation  
2 purposes, into the four following subfunds to serve the  
3 purpose indicated:

4 (a) The unrestricted subfund segregates that portion  
5 of the university current fund's financial resources that  
6 can be expended for general operations and are free of  
7 externally imposed restrictions, except those imposed by the  
8 legislature.

9 (b) The restricted subfund segregates that portion of  
10 the university current fund's financial resources that can  
11 be expended for general operations but only for purposes  
12 imposed by sources external to the board of regents and the  
13 legislature.

14 (c) The designated subfund segregates that portion of  
15 the university current fund's financial resources that are  
16 associated with general operations but are separately  
17 classified in order to accumulate costs that are to be  
18 recharged as allocated to other funds or subfunds;  
19 identifies financial activities related to special organized  
20 activities of educational departments wherein the activity  
21 is fully supported by supplemental assessments; and  
22 identifies special supply and facility fees that are  
23 approved for collections beyond normal course fees and their  
24 disposition.

25 (d) The auxiliary subfund segregates that portion of

1 the university current fund's financial resources that are  
 2 devoted to providing essential on-campus services primarily  
 3 to students, faculty, or staff wherein a fee, which is  
 4 directly related to but does not necessarily equal the cost  
 5 of the service provided, is charged to the consumer.

6 (11) University student loan fund. The university  
 7 student loan fund consists of moneys deposited in the state  
 8 treasury which may be loaned to students, faculty, or staff  
 9 for purposes related to education, organized research, or  
 10 public services by the Montana university system.

11 (12) University endowment fund. The university  
 12 endowment fund consists of moneys deposited in the state  
 13 treasury by the Montana university system wherein the  
 14 principal portion of the amount received is nonexpendable  
 15 but is available for investment, thus producing consumable  
 16 income. Expendable earnings on endowment funds are to be  
 17 transferred to appropriate operating funds pursuant to  
 18 prevailing administrative requirements.

19 (13) University annuity and life income fund. The  
 20 annuity and life income fund consists of moneys deposited in  
 21 the state treasury by the Montana university system under an  
 22 agreement whereby the moneys are made available on condition  
 23 that the receiving unit of the Montana university system  
 24 binds itself to pay stipulated amounts periodically to the  
 25 donor or others designated by the donor over a specified

1 period of time.

2 (14) University plant fund. The university plant fund  
 3 consists of those financial resources allocated to or  
 4 received by the Montana university system for capital outlay  
 5 purposes or to retire long-term debts associated with  
 6 construction or acquisition of fixed assets and the net  
 7 accumulative results of these activities.

8 (15) University agency fund. The university agency fund  
 9 consists of moneys deposited in the state treasury wherein  
 10 the Montana university system acts in the capacity of a  
 11 custodian or fiscal agent for individual students, faculty,  
 12 staff, and qualified organizations."

13 Section 2. Section 79-415, R.C.M. 1947, is amended to  
 14 read as follows:

15 "79-415. Appropriation and disbursement of moneys from  
 16 the treasury. (1) Moneys deposited in the general fund, the  
 17 earmarked revenue fund, and the federal and private revenue  
 18 fund, with the exception of trust income and refunds  
 19 authorized in subsection (3) of this act, shall be paid out  
 20 of the treasury only on appropriation made by law. Moneys  
 21 deposited in the revolving fund for the purpose of financing  
 22 administrative operations shall be paid out of the treasury  
 23 only by appropriation made by law. Moneys deposited in the  
 24 revolving fund for the purpose of purchasing consumable or  
 25 depreciable assets may be expended within the limitations of

1 an annual financial plan approved by the department of  
2 administration.

3 (2) Moneys deposited in the federal and private grant  
4 clearance fund, the sinking fund, the bond proceeds and  
5 insurance clearance fund, the trust and legacy fund and the  
6 agency fund may be paid out of the treasury under general  
7 laws, or contracts entered into in pursuance of law,  
8 permitting such disbursement.

9 (3) Money paid into the state treasury through error  
10 or under circumstances such that the state is not legally  
11 entitled to retain it, and a refund procedure is not  
12 otherwise provided by law, may be refunded upon the  
13 submission of a verified claim approved by the department of  
14 administration.

15 (4) For the purpose of supplying deficiencies in the  
16 general fund, the state treasurer may temporarily borrow  
17 from other treasury funds, providing that the loan is  
18 recorded in the state accounting records. Such loan shall  
19 bear no interest and no fund shall be so impaired that all  
20 proper demands thereon cannot be met.

21 ~~(5) Moneys deposited into the unrestricted portion of~~  
22 ~~the university current fund may be paid out of the treasury~~  
23 ~~only on appropriation made by law. All other moneys~~  
24 ~~available to the Montana university system may be paid out~~  
25 ~~of the treasury under general laws or contracts entered into~~

1 in pursuance of laws permitting such disbursement."

2 Section 3. Effective date. This act is effective on  
3 its passage and approval.

-End-

Approved by Comm. on Appropriations

HOUSE BILL NO. 407

INTRODUCED BY LOBY, ELLIS,

SCULLY, DOSSAULT

BY REQUEST OF THE BOARD OF REGENTS

A BILL FOR AN ACT ENTITLED: "AN ACT ADDING TO THE TREASURY FUND STRUCTURE THOSE FUNDS NEEDED TO PROPERLY MANAGE THE FINANCIAL AFFAIRS OF MONTANA'S COLLEGES AND UNIVERSITIES AND TO PROVIDE THE CONDITIONS UNDER WHICH EXPENDITURES MAY BE MADE FROM THOSE FUNDS; AMENDING SECTIONS 79-410 AND 79-415, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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Section 1. Section 79-410, R.C.M. 1947, is amended to read as follows:

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(1) General fund. The general fund consists of all moneys deposited in the state treasury which are available to defray the general costs of state government and which do not fall into one of the categories enumerated below.

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program, or function of state government.

(3) Sinking fund. The sinking fund consists of moneys deposited in the state treasury for the payment of principal and interest, and the accumulation of reserves for bonded or other indebtedness.

(4) Federal and private revenue fund. The federal and private revenue fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which are to be used for the operation of state government.

(5) Federal and private grant clearance fund. The federal and private grant clearance fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which the state disburses to persons, associations or units of local government. When the final disposition of expendable federal or private moneys is unknown at the time of receipt, they shall be deposited in the federal and private grant clearance fund; but those moneys to be used for the operation of state government shall be transferred to the federal and private revenue fund prior to disbursement.

(6) Bond proceeds and insurance clearance fund. The bond proceeds and insurance clearance fund consists of

(a) Moneys deposited in the state treasury obtained from the sale of bonds, certificates of indebtedness or

1 similar obligations.

2 (b) Moneys indemnifying the state for loss or damage  
3 of property.

4 (7) Revolving fund. The revolving fund consists of  
5 moneys used to

6 (a) Defray reimbursable expenditures, and

7 (b) Supply working capital for enterprise-type  
8 operations.

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10 consists of moneys deposited in the state treasury which the  
11 state administers as a trustee pursuant to a law or a trust  
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13 purpose and prohibiting the expenditure of the principal for  
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16 deposited in the state treasury which are held and disbursed  
17 by the state as a custodian or agent, and includes, but not  
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13 imposed by sources external to the board of regents and the  
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1 ~~of the treasury under general law or contracts entered into~~  
 2 ~~in pursuance of laws permitting such disbursement."~~

3 SECTION 2. THE ADDITIONAL FUNDS ESTABLISHED BY  
 4 [SECTION 1] OF THIS ACT AND SET FORTH AS SUBSECTIONS (1)Q  
 5 THROUGH (15) OF SECTION 79-410, ARE EFFECTIVE ONLY THROUGH  
 6 JUNE 30, 1981, AT WHICH TIME THEY SHALL CEASE TO EXIST AS A  
 7 PART OF THE TREASURY FUND STRUCTURE.

8 Section 3. Effective date. This act is effective on  
 9 its passage and approval.

-End-



1 HOUSE BILL NO. 407

2 INTRODUCED BY LORY, ELLIS,

3 SCULLY, DUSSAULT

4 BY REQUEST OF THE BOARD OF REGENTS

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6 A BILL FOR AN ACT ENTITLED: "AN ACT ADDING TO THE TREASURY  
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3 SECTION 2. THERE IS A NEW R.C.M. SECTION THAT READS AS  
 4 FOLLOWS:

5 SUNSET PROVISION. THE ADDITIONAL FUNDS ESTABLISHED BY  
 6 [SECTION 1] OF THIS ACT AND SET FORTH AS SUBSECTIONS (10)  
 7 THROUGH (15) OF SECTION 79-410 AND SUBSECTIONS (10) THROUGH  
 8 (15) OF 79-410, ARE EFFECTIVE ONLY THROUGH JUNE 30, 1981, AT  
 9 WHICH TIME THEY SHALL CEASE TO EXIST AS A PART OF THE  
 10 TREASURY FUND STRUCTURE.

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SCULLY, DUSSAULT

BY REQUEST OF THE BOARD OF REGENTS

A BILL FOR AN ACT ENTITLED: "AN ACT ADDING TO THE TREASURY FUND STRUCTURE THOSE FUNDS NEEDED TO PROPERLY MANAGE THE FINANCIAL AFFAIRS OF MONTANA'S COLLEGES AND UNIVERSITIES AND TO PROVIDE THE CONDITIONS UNDER WHICH EXPENDITURES MAY BE MADE FROM THOSE FUNDS; AMENDING SECTIONS 79-410 AND ~~79-415~~, R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 79-410, R.C.M. 1947, is amended to read as follows:

"79-410. Fund structure. There are in the state treasury only the following funds:

(1) General fund. The general fund consists of all moneys deposited in the state treasury which are available to defray the general costs of state government and which do not fall into one of the categories enumerated below.

(2) Earmarked revenue fund. The earmarked revenue fund consists of moneys from state sources deposited in the state treasury which are specifically earmarked by law for the purpose of defraying the costs of a particular agency,

program, or function of state government.

(3) Sinking fund. The sinking fund consists of moneys deposited in the state treasury for the payment of principal and interest, and the accumulation of reserves for bonded or other indebtedness.

(4) Federal and private revenue fund. The federal and private revenue fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which are to be used for the operation of state government.

(5) Federal and private grant clearance fund. The federal and private grant clearance fund consists of all expendable moneys deposited in the state treasury from federal or private sources, including trust income, which the state disburses to persons, associations or units of local government. When the final disposition of expendable federal or private moneys is unknown at the time of receipt, they shall be deposited in the federal and private grant clearance fund; but those moneys to be used for the operation of state government shall be transferred to the federal and private revenue fund prior to disbursement.

(6) Bond proceeds and insurance clearance fund. The bond proceeds and insurance clearance fund consists of

(a) Moneys deposited in the state treasury obtained from the sale of bonds, certificates of indebtedness or

1 similar obligations.

2 (b) Moneys indemnifying the state for loss or damage  
3 of property.

4 (7) Revolving fund. The revolving fund consists of  
5 moneys used to

6 (a) Defray reimbursable expenditures, and

7 (b) Supply working capital for enterprise-type  
8 operations.

9 (8) Trust and legacy fund. The trust and legacy fund  
10 consists of moneys deposited in the state treasury which the  
11 state administers as a trustee pursuant to a law or a trust  
12 agreement restricting the use of the money for a specified  
13 purpose and prohibiting the expenditure of the principal for  
14 a period of at least five (5) years.

15 (9) Agency fund. The agency fund consists of moneys  
16 deposited in the state treasury which are held and disbursed  
17 by the state as a custodian or agent, and includes, but not  
18 limited to moneys held for the purpose of paying insurance  
19 or retirement benefits, moneys arising from lost or  
20 unclaimed property, and other moneys of a similar nature.

21 (10) University current fund. The university current  
22 fund consists of moneys deposited in the state treasury  
23 which are used to pay current operating costs relating to  
24 instruction, research, public service, and allied support  
25 operations and programs conduct within the Montana

1 university system. The financial activities of the  
2 university current fund shall be subdivided, for operation  
3 purposes, into the four following subfunds to serve the  
4 purpose indicated:

5 (a) The unrestricted subfund segregates that portion  
6 of the university current fund's financial resources that  
7 can be expended for general operations and are free of  
8 externally imposed restrictions, except those imposed by the  
9 legislature.

10 (b) The restricted subfund segregates that portion of  
11 the university current fund's financial resources that can  
12 be expended for general operations but only for purposes  
13 imposed by sources external to the board of regents and the  
14 legislature.

15 (c) The designated subfund segregates that portion of  
16 the university current fund's financial resources that are  
17 associated with general operations but are separately  
18 classified in order to accumulate costs that are to be  
19 recharged as allocated to other funds or subfunds;  
20 identifies financial activities related to special organized  
21 activities of educational departments wherein the activity  
22 is fully supported by supplemental assessments; and  
23 identifies special supply and facility fees that are  
24 approved for collections beyond normal course fees and their  
25 disposition.

1 (d) The auxiliary subfund segregates that portion of  
 2 the university current fund's financial resources that are  
 3 devoted to providing essential on-campus services primarily  
 4 to students, faculty, or staff wherein a fee, which is  
 5 directly related to but does not necessarily equal the cost  
 6 of the service provided, is charged to the consumer.

7 (11) University student loan fund. The university  
 8 student loan fund consists of moneys deposited in the state  
 9 treasury which may be loaned to students, faculty, or staff  
 10 for purposes related to education, organized research, or  
 11 public services by the Montana university system.

12 (12) University endowment fund. The university  
 13 endowment fund consists of moneys deposited in the state  
 14 treasury by the Montana university system wherein the  
 15 principal portion of the amount received is nonexpendable  
 16 but is available for investment, thus producing consumable  
 17 income. Expendable earnings on endowment funds are to be  
 18 transferred to appropriate operating funds pursuant to  
 19 prevailing administrative requirements.

20 (13) University annuity and life income fund. The  
 21 annuity and life income fund consists of moneys deposited in  
 22 the state treasury by the Montana university system under an  
 23 agreement whereby the moneys are made available on condition  
 24 that the receiving unit of the Montana university system  
 25 binds itself to pay stipulated amounts periodically to the

1 donor or others designated by the donor over a specified  
 2 period of time.

3 (14) University plant fund. The university plant fund  
 4 consists of those financial resources allocated to or  
 5 received by the Montana university system for capital outlay  
 6 purposes or to retire long-term debts associated with  
 7 construction or acquisition of fixed assets and the net  
 8 accumulative results of these activities.

9 (15) University agency fund. The university agency fund  
 10 consists of moneys deposited in the state treasury wherein  
 11 the Montana university system acts in the capacity of a  
 12 custodian or fiscal agent for individual students, faculty,  
 13 staff, and qualified organizations."

14 Section 21--Section--79-415, R.C.M. 1947, is amended to  
 15 read as follows:

16 "79-415--Appropriation and disbursement of moneys from  
 17 the treasury--(1) Moneys deposited in the general fund, the  
 18 earmarked revenue fund, and the federal and private revenue  
 19 fund--with the exception of trust income and refunds  
 20 authorized in subsection (3) of this act--shall be paid out  
 21 of the treasury only on appropriation made by law. Moneys  
 22 deposited in the revolving fund for the purpose of financing  
 23 administrative operations shall be paid out of the treasury  
 24 only by appropriation made by law. Moneys deposited in the  
 25 revolving fund for the purpose of purchasing consumable or

1 depreciable assets may be expended within the limitations of  
2 an annual financial plan approved by the department of  
3 administration

4 (2) Moneys deposited in the federal and private grant  
5 clearance fund, the sinking fund, the bond proceeds and  
6 insurance clearance fund, the trust and legacy fund and the  
7 agency fund may be paid out of the treasury under general  
8 laws or contracts entered into in pursuance of laws  
9 permitting such disbursements

10 (3) Money paid into the state treasury through error  
11 or under circumstances such that the state is not legally  
12 entitled to retain it, and a refund procedure is not  
13 otherwise provided by law, may be refunded upon the  
14 submission of a verified claim approved by the department of  
15 administration

16 (4) For the purpose of supplying deficiencies in the  
17 general fund, the state treasurer may temporarily borrow  
18 from other treasury funds, providing that the loan is  
19 recorded in the state accounting records. Such loan shall  
20 bear no interest and no fund shall be so impaired that all  
21 proper demands thereon cannot be met.

22 (5) ~~Moneys deposited into the unrestricted portion of~~  
23 ~~the university current fund may be paid out of the treasury~~  
24 ~~only on appropriation made by law. All other moneys~~  
25 ~~available to the Montana university system may be paid out~~

1 ~~of the treasury under general laws or contracts entered into~~  
2 ~~in pursuance of laws permitting such disbursements."~~

3 SECTION 2. THERE IS A NEW R.C.M. SECTION THAT READS AS  
4 FOLLOWS:

5 SUNSET PROVISION. THE ADDITIONAL FUNDS ESTABLISHED BY  
6 [SECTION 1] OF THIS ACT AND SET FORTH AS SUBSECTIONS (10)  
7 THROUGH (15) OF SECTION 79-410 AND SUBSECTIONS (10) THROUGH  
8 (15) OF 79-410, ARE EFFECTIVE ONLY THROUGH JUNE 30, 1981, AT  
9 WHICH TIME THEY SHALL CEASE TO EXIST AS A PART OF THE  
10 TREASURY FUND STRUCTURE.

11 Section 3. Effective date. This act is effective on  
12 its passage and approval.

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