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2 INTRODUCED BY FOR SHE BOARD OF REGENTS

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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+

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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.

- 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 federal and private grant clearance fund consists of all 11 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 local government. When the final disposition of expendable 15 16 federal or private moneys is unknown at the time of receipt, 17 they shall be deposited in the federal and private grant 13 clearance fund; but those moneys to be used for the operation of state government shall be transferred to the 19 20 federal and private revenue fund prior to disbursement.
  - (6) Bond proceeds and insurance clearance fund. The 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.

4.C. (1.335/6)1

{b}	Moneys	indemnifying	the	state	for	loss	OF	damage
of proper	ty.							

- 3 (7) Revolving fund. The revolving fund consists of 4 moneys used to
  - (a) Defray reimbursable expenditures, and

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- (b) Supply working capital for enterprise-type operations.
  - (8) Trust and legacy fund. The trust and legacy fund consists of moneys deposited in the state treasury which the state administers as a trustee pursuant to a law or a trust agreement restricting the use of the money for a specified purpose and prohibiting the expenditure of the principal for a period of at least five (5) years.
  - (9) Agency fund. The agency fund consists of moneys deposited in the state treasury which are held and disbursed by the state as a custodian or agent, and includes, but not limited to moneys held for the purpose of paying insurance or retirement benefits, moneys arising from lost or unclaimed property, and other moneys of a similar nature.
  - 110) University current fund. The university current fund consists of moneys deposited in the state treasury which are used to pay current operating costs relating to instruction, research, public service, and allied support operations and programs conducted within the Montana university system. The financial activities of the

1 <u>university current fund shall be subdivided: for operation</u>
2 <u>purposes: into the four following subfunds to serve the</u>

LC 1335/01

3 purpose indicated:

disposition.

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1a) The unrestricted subfund segregates that portion

of the university current fund's financial resources that

can be expended for general operations and are free of

externally imposed restrictions, except those imposed by the

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 the university current fund's financial resources that are 16 associated with operal operations but are separately 17 classified in order to accumulate costs that are to be 18 recharged as allocated to other funds or subfunds: 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 approved for collections beyond mormal course fees and their 23

25 id! The auxiliary subfund segregates that portion of

-3-

-4-

LC 1335/01

LC 1335/01

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	(III) 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 and owment 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	113) University annuity and life income fund. The
29	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 dontana university system
24	binds itself to pay stipulated amounts periodically to the
25	donor or others designated by the donor over a specified

consists of those financial resources allocated to o
received by the Montana university system for capital outla
purposes or to retire long-term debts associated wit
construction or acquisition of fixed assets and the ne
accumulative results of these activities.
(15) University agency fund. The university agency fun
consists of moneys deposited in the state treasury wherei
the Montana university system acts in the capacity of
custodian or fiscal agent for individual students: faculty
staff, and qualified organizations."
Section 2. Section 79-415, R.C.M. 1947, is amended to
read as follows:
#79-415. Appropriation and disbursement of moneys fro
the treasury. (1) Moneys deposited in the general fund, th
earmarked revenue fund, and the federal and private revenue
$fund_{\boldsymbol{\theta}}$ with the exception of trust income and refund
authorized in subsection (3) of this act, shall be paid ou
of the treasury only on appropriation made by law. Money
deposited in the revolving fund for the purpose of financin
administrative operations shall be paid out of the treasur
only by appropriation made by law. Moneys deposited in the
revolving fund for the purpose of purchasing consumable of

(14) University plant fund. The university plant fund

1 " period of time.

depreciable assets may be expended within the limitations of

- an annual financial plan approved by the department of administration.
- (2) Moneys deposited in the federal and private grant clearance funds the sinking funds the bond proceeds and insurance clearance funds the trust and legacy fund and the agency fund may be paid out of the treasury under general laws, or contracts antered into in pursuance of laws permitting such disbursements.
- (3) Money paid into the state treasury through error or under circumstances such that the state is not legally entitled to retain it, and a refund procedure is not otherwise provided by law, may be refunded upon the submission of a verified claim approved by the department of administration.

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- (4) For the purpose of supplying deficiencies in the general fund, the state treasurer may temporarily borrow from other treasury funds, providing that the loan is recorded in the state accounting records. Such loan shall bear no interest and no fund shall be so impaired that all proper demands thereon cannot be met.
- 151 Moneys deposited into the unrestricted portion of the university current fund may be paid out of the treasury only on appropriation made by law. All other moneys available to the Montana university system may be paid out of the treasury under peneral laws or contracts entered into

- in nursuance of laws permitting such disbursement.
- 2 Section 3. Effective date. This act is effective on
- 3 its passage and approval.

-End-

45th Legislature HE C407/02

Approved by Comm. on Appropriations

1 HOUSE BILL NO. 407
2 INTRODUCED BY LORY, ELLIS,
3 SCULLY, DUSSAULT
4 BY REQUEST OF THE BOARD OF BEGENTS
5
6 A BILL FOR AN ACT ENTITLED: "AN ACT ALDING TO THE TREASURY

A BILL FOR AN ACT ENTITLED: "AN ACT AIDING TO THE TREASURY

FUND STRUCTURE THOSE FUNDS NEEDED TO PROPERLY MAKAGE THE

B PINANCIAL AFFAIRS OF MONTANA'S COLLEGES AND UNIVERSITIES AND

TO PROVIDE THE CONDITIONS UNDER WHICH EIPENDITURES HAY BE

MADE FROM THOSE FUNDS; AMENDING SECTIONS 79-410 AND 79-415,

R.C.H. 1947; AND PROVIDING AN IMBEDIATE REFECTIVE DATE."

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HONTANA:

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14 Section 1. Section 79-410, R.C.H. 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.

- 2 (3) Sinking fund. The sinking fund consists of moneys
  3 deposited in the state treasury for the payment of principal
  4 and interest, and the accumulation of reserves for bonded or
  5 other indebtedness.
- 6 (4) Pederal and private revenue fund. The federal and
  7 private revenue fund consists of all expendable moneys
  8 deposited in the state treasury from federal or private
  9 sources, including trust income, which are to be used for
  10 the operation of state government.
- 11 (5) Federal and private grant clearance fund. The 12 federal and private grant clearance fund consists of all 13 expendable moneys deposited in the state treasury from federal or private sources, including trust income, which 14 15 the state disburses to persons, associations or units of 16 local government. When the final disposition of expendable 17 federal or private moneys is unknown at the time of receipt, 18 they shall be deposited in the federal and private grant 19 clearance fund; but those moneys to be used for the 20 operation of state government shall be transferred to the 21 federal and private revenue fund prior to disbursement.
- 22 (6) Bond proceeds and insurance clearance fund. The
- 23 bond proceeds and insurance clearance fund consists of
- 24 (a) Moneys deposited in the state treasury obtained 25 from the sale of bonds, certificates of indebtedness or

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similar obligations.

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- 2 (b) Moneys indemnifying the state for loss or damage
  3 of property.
- (7) Revolving fund. The revolving fund consists of moneys used to
  - (a) Defray reimbursable expenditures, and
- (b) Supply working capital for enterprise-type operations.
  - (8) Trust and legacy fund. The trust and legacy fund consists of moneys deposited in the state treasury which the state administers as a trustee pursuant to a law or a trust agreement restricting the use of the money for a specified purpose and prohibiting the expenditure of the principal for a period of at least five (5) years.
- (9) Agency fund. The agency fund consists of moneys deposited in the state treasury which are held and distursed by the state as a custodian or agent, and includes, but not limited to moneys held for the purpose of raying insurance or retirement benefits, moneys arising from lost or 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 conducted within the Montana

- 1 <u>university system. The financial activities of the</u>
  2 <u>university current fund shall be subdivided, for creration</u>
  3 <u>purposes, into the four following subfunds to serve the</u>
- 4 purpose indicated:
- 5 (a) The unrestricted subfund segregates that rection
  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.
- 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 permal course fees and their
- 25 disposition.

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HE C4C7/C2

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 Bontana 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	perlod 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 cutlay
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	115) 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 caracity of a
12	custodian or fiscal agent for individual students, faculty,
13	staff, and qualified organizations."
14	Section 2. Section 79-415, R.C.M. 1947, is amended to
15	read-as-fellews+
16	#79-415. Appropriation and disbursement of moneys-from
17	the-treasury(1)-Moneys-deposited-in-the-general-fund,-the
18	carmarked_revenue_fundy-and-the-federal-and-privaterevenue
19	fundywiththeexceptionoftrustiscomeandrefunds
20	authorised-in-subsection-(3)-of-this-act,-shall-be-paideut
21	ofthetreasuryenly-en-appropriation-made-by-lawMoneys
22	deposited-in-the-revelwing-fund-for-the-purpose-of-financing
23	administrative-operations-shall-be-paid-out-of-thetreasury
24	onlybyappropriation-made-by-lawMoneys-deposited-in-the
25	revolving-fund-for the purpose-of-purchasing- concumable-or

-5- HB 407

-6- HB 407

RE 0407/02

1	40prod12ble-266646-837-86-0Epc8464-418h18-6h6-1181434168-61
2	an annual financial plan approved by the department of
3	administration.
4	(2) Honoys deposited in the federal and private grant
5	clearance fund, the sinking fund, the bend-proceeds and
6	incurance-clearance-fundy-the-trust-and-legacy-fund-andthe
7	agency-fundnaybe-paid-out-of-the-treasury-under-general
8	laws, or contracts catered ista in pursuasce of law,
9	pormitting-gach-dichurescent,
10	(3)Honoypaidinto-the state-treasusy-through-error
11	or-thiot-circumstances-such-that-the-stateisnotlegally
12	entitledteretainityandarefundpresedureis-not
13	othereise-provided-by-levy-ney-be-referded-tyer-the
14	submission-of-a-regified-slaim-approved-by-the-department-of
-	personner of a laterised esers shirt ord of orders as a series of
15	administration.
15 16	
	administration,
16	edeinistration.  (4) - For - thepurpose-of-supplying deficiencies-in-the
16 17	(4)—For—the—purpose-of-supplying deficiencies—in—the general-fund, the state—treasurer—nay—temporarily—horrow
16 17 18	edministration,  (4) For the purpose of supplying deficiencies in the general fund, the state treasurer say temporarily berrow from other treasury funds, providing that the lean is
16 17 18 19	(4) For the purpose of supplying deficiencies in the general fund, the state treasures say temporarily borrow from other treasury funds, providing that the lean-is recorded in the state accounting records. Such lean chall
16 17 18 19 20	**************************************
16 17 18 19 20 21	(A) For the purpose of supplying deficiencies in the general fund, the state treasures say temporarily borrow from other treasury funds, providing that the lease shall bear no interest and no fund shall be so impaired that all proper desands thereon cannot be not.
16 17 18 19 20 21 22	** ** ** ** ** ** ** ** ** ** ** ** **
16 17 18 19 20 21 22 23	the university system fund say be paid out of the treasury

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1 ef the treasury under senses laws as contracts entered into
2 in pursuance of laws permitting such disturbances.
3 SECTION 2. THE ADDITIONAL PUNDS PSTABLISHED BY
4 [SECTION 1] OF THIS ACT AND SET POBLE AS SUBSECTIONS (10)
5 THROUGH (15) OF SECTION 79-410. ARE EFFECTIVE ONLY THROUGH
6 JUNE 30, 1981. AT WHICH TIME THEI SHALL CHASE TO BUIST 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-

-8- BE 407

BB 407

#P 0407/03 HE 0407/03 45th Legislature

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1	HOUSE BILL NO. 407
2	INTRODUCED BY LORY, ELLIS,
3	SCULLY, DUSSAULT
4	BY REQUEST OF THE BOARD OF REGERTS
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT ADDING TO THE TREASURY
7	FUND STRUCTURE THOSE FUNDS MEEDED TO PROPERLY HAWAGE THE
8	PINANCIAL APPAIRS OF MONTANA'S COLLEGES AND UNIVERSITIES AND
9	TO PROVIDE THE CONDITIONS UNDER WHICH EXPENDITURES MAY BE
10	MADE FROM THOSE FUNDS; AMENDING SECTIONS 79-410 AND 79-415,
11	R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MOBILIES:
14	Section 1. Section 79-410, R.C.M. 1947, is amended to
15	read as follows:
16	#79-410. Pund structure. There are in the state
17	treasury only the following funds:
18	(1) General fund. The general fund consists of all
19	moneys deposited in the state treasury which are awailable
20	to defray the general costs of state government and which do
21	not fall into one of the categories enumerated below.
2 2	(2) Earmarked revenue fund. The earmarked revenue fund
23	consists of moneys from state sources deposited in the state
24	treasury which are specifically earmarked by law for the
25	purpose of defraying the costs of a particular agency,

- 1 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.
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- 22 (6) Bond proceeds and insurance clearance fund. The 23 bond proceeds and insurance clearance fund consists of
- (a) Moneys deposited in the state treasury obtained 24 from the sale of bonds, certificates of indebtedness or 25

HE C407/03

1 similar obligations.

- (b) Honeys indemnifying the state for loss or damageof property.
- 4 (7) Revolving fund. The revolving fund consists of Boneys used to
  - (a) Defray reimbursable expenditures, and
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- 21 (10) University current fund. The university current
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  25 operations and programs conducted within the Bontana

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  2 university current fund shall be subdivided, for creration
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  6 of the university current fund's financial resources that
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- 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.
  - (c) The designated subfund segregates that portion of the university current fund's financial resources that are associated with general operations but are separately classified in order to accumulate costs that are to be recharged as allocated to other funds or subfunds; identifies financial activities related to special organized activities of educational departments wherein the activity is fully supported by supplemental assessments: and identifies special supply and facility fees that are approved for collections beyond pormal course fees and their

-3- BB 407 -4- BB 407

disposition.

HE C407/03

period of time.

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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
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23	agreement whereby the moneys are made available on condition
24	that the receiving unit of the Bontana university system

binds itself to pay stipulated amounts periodically to the

25

(14) University plant fund, The university plant fund consists of those financial resources allocated to or received by the Montana university system for capital outlay purposes or to retire long-term debts associated with 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 Scotion-2. Section 79-415, R.C. H. 1947, is ascaded to 15 read-as-follows+ 16 #79-415. Appropriation and disbursement of moneys from 17 the treasury -- (1) Honoys deposited in the general fund, the 18 carsarked revenue fund, and the federal and private revenue 19 fund, --with the exception -- of -- trust -- income -- and -- refunds 20 authorised in subsection (3) of this act, shall be paid out 21 of the treasury only on appropriation made by law Honeys 22 prisaccited-ip-the-revolving-for-be-pet-saccited 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

donor or others designated by the donor over a specified

-5-- BB 407

-6- BB 407

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2	an annual financial plan approved by the department of
3	administration.
đ	(2) Moneys deposited is the federal and private grant
5	clearance fund, the cinking fund, the bond proceeds and
6	incurance clearance fund, the trust and logacy fund and the
7	agency-fund may be paid out of the treasury under-general
8	laws, or contracts entered into in pursuance of law,
9	permitting such disbursement,
0	(3) Noney paid into the state treasury through error
1	er-under-circumstances-such-that-the-state-is-net-legally
2	ontitled -to -retain -ity -and -a -refund -procedure -is-not
3	otherwise provided by law, may be refunded upon the
4	submission of a remified claim approved by the department of
5	administration.
6	(4) For the purpose-of-supplying deficiencies-in-the
7	general fundy-the-state-treasurer-may temperarily-berrew
8	from other treasury fundsy providing that the loan-is
9	recorded in the state-accounting records Sach-lean-shall
0	bearseinterest-and-se-fund-shall-be-se-ispaired-that-all
1	propor-demands-therees-cannot-be-met-
2	15) - Honore dopogited into the unrestricted portion -of
3	the university ourcest ford may be paid out of the treasury
4	enly en appropriation and by law all state renere
5	available to the Montaga university system may be paid out

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1	of the treasury under general lave or contracts entered into
2	in purcuance of land permitting such disburgements"
3	SECTION 2. THERE IS A NEW R.C. H. SECTION THAT READS AS
4	FOLLOWS:
5	SUNSET PROVISION. THE ADDITIONAL PURDS ESTABLISHED B
6	[SECTION 1] OF THIS ACT AND SET FORTE 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. A
9	WHICH TIME THEY SHALL CEASE TO BIST AS A PART OF THE
0	TREASURY FORD STRUCTURE.
1	Section 3. Effective date. This act is effective of
2	its passage and approval.

-End-

нв 407 —8— нв 407

45th Legislature

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2	INTRODUCED BY LORY, ELLIS,
3	SCULLY. DUSSAULT
+	BY REQUEST OF THE BOARD OF REGENTS
õ	
5	A BILL FOR AM ACT ENTITLED: "AN ACT ADDING TO THE TREASURY
7	FUND STRUCTURE THUSE FUNDS NEEDED TO PROPERLY MANAGE THE
8	FINANCIAL AFFAIRS OF MONTANA'S COLLEGES AND UNIVERSITIES AND

HOUSE BILL NO. 407

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

R.C.M. 1947; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

TO PROVIDE THE CONDITIONS UNDER WHICH EXPENDITURES MAY BE

MADE FROM THOSE FUNDS; AMENDING SECTIONS 79-410 AND 79-415.

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.

1 program, or function of state government.

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- 2 (3) Sinking fund. The sinking fund consists of moneys
  3 deposited in the state treasury for the payment of principal
  4 and interest, and the accumulation of reserves for bonded or
  5 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.
- 11 (5) Federal and private grant clearance fund. The 12 federal and private grant clearance fund consists of all 13 expendable moneys deposited in the state treasury from 14 federal or private sources, including trust income, which 15 the state disburses to persons, associations or units of local government. When the final disposition of expendable 16 federal or private moneys is unknown at the time of receipt. 17 18 they shall be deposited in the federal and private grant 19 clearance fund; but those moneys to be used for the 20 operation of state government shall be transferred to the 21 federal and private revenue fund prior to disbursement.
- 22 (6) Bond proceeds and insurance clearance fund. The23 bond proceeds and insurance clearance fund consists of
- 24 (a) Moneys deposited in the state treasury obtained 25 from the sale of bonds, certificates of indebtedness or

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similar obligations.

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- 2 (b) Moneys indemnifying the state for loss or damage 3 of property.
  - (7) Revolving fund. The revolving fund consists of moneys used to
    - (a) Defray reimbursable expenditures, and
- 7 (b) Supply working capital for enterprise-type 8 operations.
  - (8) Trust and legacy fund. The trust and legacy fund consists of moneys deposited in the state treasury which the state administers as a trustee pursuant to a law or a trust agreement restricting the use of the money for a specified purpose and prohibiting the expenditure of the principal for a period of at least five (5) years.
  - (9) Agency fund. The agency fund consists of moneys deposited in the state treasury which are held and disbursed by the state as a custodian or agent, and includes, but not limited to moneys held for the purpose of paying insurance or retirement benefits, moneys arising from lost or unclaimed property, and other moneys of a similar nature.
  - fund consists of moneys deposited in the state treasury which are used to pay current operating costs relating to instruction, research, public service, and allied support operations and programs conduct within the Montana

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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	<u>legislature.</u>
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:

identifies financial activities related to special organized

activities of educational departments wherein the activity

is fully supported by supplemental assessments: and

identifies special supply and facility fees that are

approved for collections beyond normal course fees and their

university system. The financial activities of the

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disposition.

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(d) The auxiliary subfund segregates that portion of
the university current fund's financial resources that are
devoted to providing essential on-campus services primarily
to students, faculty, or staff wherein a fee, which is
directly related to but does not necessarily equal the cost
of the service provided, is charged to the consumer.
(11) University student loan fund. The university
student loan fund consists of moneys deposited in the state
treasury which may be loaned to students, faculty, or staff
for purposes related to education, organized research, or
public services by the Montana university system.
(12) University endowment fund. The university
endowment fund consists of moneys deposited in the state
treasury by the Montana university system wherein the
principal portion of the amount received is nonexpendable
but is available for investment, thus producing consumable
income. Expendable earnings on endowment funds are to be
transferred to appropriate operating funds pursuant to
prevailing administrative requirements.
(13) University annuity and life income fund. The
annuity and life income fund consists of moneys deposited in
the state treasury by the Montana university system under an
agreement whereby the moneys are made available on condition
that the receiving unit of the Montana university system
binds itself to pay stipulated amounts periodically to the

ı	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-2*Section79-415*-R*E*M*-1947*-is-amended-to
15	read-as-follows:
16	#79- <del>115kppropristion-and-disbursement-of-moneys-fro</del> m
17	the-treasury(1)-Moneys-deposited-in-the-general-funds-the
18	earmarked-revenue-fundy-and-the-federal-and-privaterevenue
19	fundywiththeexceptionoftrustincomeandrefunds
20	authorized-in-subsection-(3)-of-this-acty-shall-be-paidout
21	ofthetreasuryonly-on-appropriation-made-by-laws-Moneys
22	deposited-in-the-revolving-fund-for-the-purpose-of-financing
23	administrative-operations-small-be-paid-out-of-thetreasury
24	onlybyappropriation-made-sy-laww-Moneys-deposited in-the
25	revolving-fund-for-the-purpose-of-purchasingconsumableor

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depreciable-assets-may-be-expended-within-the-limitstions-of
unannualfinancialplanapprovedbythe-department-of
edministration
<del>{2}Moneys-deposited-in-the-federal-a</del> nd-private <del>grant</del>
clearancefundythesinkingfundythe-bond-proceeds-and
insurance-clearance-fundy-the-trust-and-legacy-fund-and-the
agencyfundmaybe-paid-out-of-the-treasury-under-general
lawsyorcontractsenteredintoinpursuanceoflawy
permitting-such-disbursement*
<del>(3)Moneypaidinto-the-state-treasury-through-error</del>
or-under-circumstances-such-that-the-stateisnotlegally
entitled-to-retain-ity-and-a-refund-procedure-is-not
otherwiseprovidedbylawvmayberefundeduponthe
submission-of-a-verified-claim-approved-by-the-department-of
administration.
(4) For the purpose - of - supply ing - deficiencies - in - the
general-fundy-the-statetreasurermaytemporarityborrow
from-other-treasury-fundsyprovidingthattheloan-is
recorded-in-the-state-accounting-records:Suchloanshall
bear-no-interest-and-no-fund-shall-be-so-impaired-that-all
proper-demands-thereon-Cannot-be-metw
15)Honeys-deposited-into the unrestricted portion-of
the-university-current-fund-may-be-paid-out-of-the-treasury

<u>ovailable--to--the-Montana-universit -system-may-be-paid-out</u>

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ı of-the-treasury-under-general-laws-or-contracts-entered-into in-pursuance-of-lows-permitting-such-disbursementy\* SECTION 2. THERE IS A NEW R.C.M. SECTION THAT READS AS 3 4 **EOLLOWS:** 5 SUNSET PROVISION. THE ADDITIONAL FUNDS ESTABLISHED BY 6 ESECTION -- 1] -- OF -- THIS -ACT - AND -SET - FORTH - AS - SUBSECTIONS - (10) THROUGH-+151-0F-SECTION 79-410 AND SUBSECTIONS (10) THROUGH (15) OF 79-410. ARE EFFECTIVE ONLY THROUGH JUNE 30. 1981. AT 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.

-End-

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