

CHAPTER NO. 626.

SENATE BILL NO. 429

INTRODUCED BY FASBENDER, SOUTH

IN THE SENATE

February 9, 1979	Introduced and referred to Committee on Finance and Claims.
February 13, 1979	Fiscal note requested.
February 15, 1979	Committee recommend bill do pass as amended. Report adopted.
February 16, 1979	Fiscal note returned.
February 17, 1979	Printed and placed on members' desks.
February 19, 1979	Second reading, do pass.
February 20, 1979	Considered correctly engrossed.
February 21, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 22, 1979	Introduced and referred to Committee on Appropriations.
April 4, 1979	Committee recommend bill be concurred in. Report adopted.
April 5, 1979	Second reading, concurred in.
April 9, 1979	Third reading, concurred in.

IN THE SENATE

April 10, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
----------------	---

1 *Senators* BILL NO. *429*
2 INTRODUCED BY *Senator South*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT LOANS
5 FROM THE GENERAL FUND OR THE UNIVERSITY UNRESTRICTED SUBFUND
6 TO UNIVERSITY FUNDS BEAR INTEREST AND TO DEPOSIT THE
7 INTEREST IN THE GENERAL FUND; TO PROHIBIT NEGATIVE BALANCES
8 IN CERTAIN FUNDS AND SUBFUNDS; AND AMENDING SECTION
9 17-2-107, MCA."

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

12 Section 1. Section 17-2-107, MCA, is amended to read:
13 "17-2-107. Accurate accounting records and
14 interaccount loans. (1) The department of administration
15 shall record receipts and disbursements for treasury funds
16 and for accounts within treasury funds and shall maintain
17 records in such a manner as to reflect the total cash and
18 invested balance of each fund and each account. The
19 department of administration shall adopt the necessary
20 procedures to insure that interdepartmental or
21 intradepartmental transfers of money do not result in
22 inflation of figures reflecting total governmental costs and
23 revenues.

24 (2) When the expenditure of an appropriation is
25 necessary and the cash balance in the account from which the

1 appropriation was made is insufficient, the department of
2 administration may authorize a transfer, as a temporary loan
3 bearing no interest, of unrestricted moneys from other
4 accounts, provided that there is reasonable evidence that
5 the income provided for the remainder of the fiscal year
6 will be sufficient to restore the amount so transferred and
7 provided the loan is recorded in the state accounting
8 records. No account shall be so impaired that all proper
9 demands thereon cannot be met.

10 ~~(3) Any loan from the general fund or the university~~
11 ~~current unrestricted subfund to university funds or the~~
12 ~~university auxiliary subfund bear interest at a rate~~
13 ~~equivalent to the previous fiscal year's average rate of~~
14 ~~return on the board of investment's short-term investment~~
15 ~~pool. Except for investment earnings on restricted~~
16 ~~donations, all designated and restricted subfund investment~~
17 ~~earnings are credited to the state general fund.~~

18 ~~(4) No accounting entity may have a negative cash~~
19 ~~balance at fiscal yearend. The department of administration~~
20 ~~may, however, allow any entity to carry a negative balance~~
21 ~~at any point during the fiscal year subject to the following~~
22 ~~restrictions:~~

23 ~~(a) Accounting entity cash balances may not exist more~~
24 ~~than 7 working days in the funds provided in subsections (1)~~
25 ~~through (9) of 17-2-102.~~

1 (b) Units of the university system must maintain
2 positive cash balances in the subfunds provided in
3 subsections (10)(a) through (d) and (11) through (15) of
4 17-2-102."

-End-

FISCAL NOTE

Form BD-15

In compliance with a written request received February 13, 1979, there is hereby submitted a Fiscal Note for Senate Bill 429 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

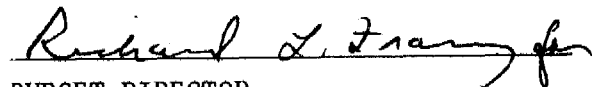
Senate Bill 429 requires that loans from the general fund or university unrestricted subfund to other university funds bear interest and provides that no accounting entity may be negative at fiscal year end.

ASSUMPTIONS:

1. Any loans would be repaid with interest.
2. It is impossible to predict the amounts which will be loaned.

FISCAL IMPACT:

Minimal.


BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 2/16/79

Approved by Committee
on Finance & Claims

SENATE BILL NO. 429

INTRODUCED BY FASBENDER, SOUTH

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT LOANS FROM THE GENERAL FUND OR THE UNIVERSITY UNRESTRICTED SUBFUND TO UNIVERSITY FUNDS BEAR INTEREST AND TO DEPOSIT THE INTEREST IN THE GENERAL FUND; TO PROHIBIT NEGATIVE BALANCES IN CERTAIN FUNDS AND SUBFUNDS; AND AMENDING SECTION 17-2-107, MCA."

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

Section 1. Section 17-2-107, MCA, is amended to read:

"17-2-107. Accurate accounting records and interaccount loans. (1) The department of administration shall record receipts and disbursements for treasury funds and for accounts within treasury funds and shall maintain records in such a manner as to reflect the total cash and invested balance of each fund and each account. The department of administration shall adopt the necessary procedures to insure that interdepartmental or intradepartmental transfers of money do not result in inflation of figures reflecting total governmental costs and revenues.

(2) When the expenditure of an appropriation is necessary and the cash balance in the account from which the

appropriation was made is insufficient, the department of administration may authorize a transfer, as a temporary loan bearing no interest, of unrestricted moneys from other accounts, provided that there is reasonable evidence that the income provided for the remainder of the fiscal year will be sufficient to restore the amount so transferred and provided the loan is recorded in the state accounting records. No account shall be so impaired that all proper demands thereon cannot be met.

~~(3) Any loan from the general fund or the university current unrestricted subfund to university funds or the university--auxiliary--subfund DESIGNATED IN SUBSECTIONS (10)(D) AND (11) THROUGH (15) OF 17-2-102 SHALL bear interest at a rate equivalent to the previous fiscal year's average rate of return on the board of investment's short-term investment pool. Except for investment earnings on restricted donations, all designated and restricted subfund investment earnings are credited to the state general fund.~~

~~(4) No accounting entity may have a negative cash balance at fiscal yearend. The department of administration may, however, allow any entity to carry a negative balance at any point during the fiscal year subject to the following restrictions:~~

~~(a) Accounting entity NEGATIVE cash balances may not~~

1 exist more than 7 working days in the funds provided in
2 subsections (i) through (9) of 17-2-102a

3 (b) Units of the university system must maintain
4 positive cash balances in the subfunds provided in
5 subsections (10)(a) through (d) and (11) through (15) of
6 17-2-102a."

-End-

1 SENATE BILL NO. 429

2 INTRODUCED BY FASBENDER, SOUTH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT LOANS
5 FROM THE GENERAL FUND OR THE UNIVERSITY UNRESTRICTED SUBFUND
6 TO UNIVERSITY FUNDS BEAR INTEREST AND TO DEPOSIT THE
7 INTEREST IN THE GENERAL FUND; TO PROHIBIT NEGATIVE BALANCES
8 IN CERTAIN FUNDS AND SUBFUNDS; AND AMENDING SECTION
9 17-2-107, MCA."

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

12 Section 1. Section 17-2-107, MCA, is amended to read:

13 "17-2-107. Accurate accounting records and
14 interaccount loans. (1) The department of administration
15 shall record receipts and disbursements for treasury funds
16 and for accounts within treasury funds and shall maintain
17 records in such a manner as to reflect the total cash and
18 invested balance of each fund and each account. The
19 department of administration shall adopt the necessary
20 procedures to insure that interdepartmental or
21 intradepartmental transfers of money do not result in
22 inflation of figures reflecting total governmental costs and
23 revenues.

24 (2) When the expenditure of an appropriation is
25 necessary and the cash balance in the account from which the

1 appropriation was made is insufficient, the department of
2 administration may authorize a transfer, as a temporary loan
3 bearing no interest, of unrestricted moneys from other
4 accounts, provided that there is reasonable evidence that
5 the income provided for the remainder of the fiscal year
6 will be sufficient to restore the amount so transferred and
7 provided the loan is recorded in the state accounting
8 records. No account shall be so impaired that all proper
9 demands thereon cannot be met.

10 ~~(3) Any loan from the general fund or the university~~
11 ~~current unrestricted subfund to university funds or the~~
12 ~~university--auxiliary--subfund DESIGNATED IN SUBSECTIONS~~
13 ~~(10)(D) AND (11) THROUGH (15) OF 17-2-102 SHALL bear~~
14 ~~interest at a rate equivalent to the previous fiscal year's~~
15 ~~average rate of return on the board of investment's~~
16 ~~short-term investment pool. Except for investment earnings~~
17 ~~on restricted donations, all designated and restricted~~
18 ~~subfund investment earnings are credited to the state~~
19 ~~general funds.~~

20 ~~(4) No accounting entity may have a negative cash~~
21 ~~balance at fiscal yearend. The department of administration~~
22 ~~may, however, allow any entity to carry a negative balance~~
23 ~~at any point during the fiscal year subject to the following~~
24 ~~restrictions:~~

25 ~~(a) Accounting entity NEGATIVE cash balances may not~~

1 exist more than 7 working days in the funds provided in
2 subsections (1) through (9) of 17-2-102.

3 (b) Units of the university system must maintain
4 positive cash balances in the subfunds provided in
5 subsections (10)(a) through (d) and (11) through (15) of
6 17-2-102a*

-End-

1 SENATE BILL NO. 429
 2 INTRODUCED BY FASBENDER, SOUTH
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT LOANS
 5 FROM THE GENERAL FUND OR THE UNIVERSITY UNRESTRICTED SUBFUND
 6 TO UNIVERSITY FUNDS BEAR INTEREST AND TO DEPOSIT THE
 7 INTEREST IN THE GENERAL FUND; TO PROHIBIT NEGATIVE BALANCES
 8 IN CERTAIN FUNDS AND SUBFUNDS; AND AMENDING SECTION
 9 17-2-107, MCA."

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

12 Section 1. Section 17-2-107, MCA, is amended to read:
 13 "17-2-107. Accurate accounting records and
 14 interaccount loans. (1) The department of administration
 15 shall record receipts and disbursements for treasury funds
 16 and for accounts within treasury funds and shall maintain
 17 records in such a manner as to reflect the total cash and
 18 invested balance of each fund and each account. The
 19 department of administration shall adopt the necessary
 20 procedures to insure that interdepartmental or
 21 intradepartmental transfers of money do not result in
 22 inflation of figures reflecting total governmental costs and
 23 revenues.

24 (2) When the expenditure of an appropriation is
 25 necessary and the cash balance in the account from which the

1 appropriation was made is insufficient, the department of
 2 administration may authorize a transfer, as a temporary loan
 3 bearing no interest, of unrestricted moneys from other
 4 accounts, provided that there is reasonable evidence that
 5 the income provided for the remainder of the fiscal year
 6 will be sufficient to restore the amount so transferred and
 7 provided the loan is recorded in the state accounting
 8 records. No account shall be so impaired that all proper
 9 demands thereon cannot be met.

10 ~~(3) Any loan from the general fund or the university~~
 11 ~~current unrestricted subfund to university funds or the~~
 12 ~~university--auxiliary--subfund DESIGNATED IN SUBSECTIONS~~
 13 ~~(10)(D) AND (11) THROUGH (15) OF 17-2-102 SHALL bear~~
 14 ~~interest at a rate equivalent to the previous fiscal year's~~
 15 ~~average rate of return on the board of investment's~~
 16 ~~short-term investment pool. Except for investment earnings~~
 17 ~~on restricted donations, all designated and restricted~~
 18 ~~subfund investment earnings are credited to the state~~
 19 ~~general fund.~~

20 (4) No accounting entity may have a negative cash
 21 balance at fiscal yearend. The department of administration
 22 may, however, allow any entity to carry a negative balance
 23 at any point during the fiscal year subject to the following
 24 restrictions:

25 (a) Accounting entity NEGATIVE cash balances may not

SB 0429/03

1 exist more than 7 working days in the funds provided in
2 subsections (1) through (9) of 17-2-102a

3 (b) Units of the university system must maintain
4 positive cash balances in the subfunds provided in
5 subsections (10)(a) through (d) and (11) through (13) of
6 17-2-102a."

-End-