

HOUSE BILL NO. 800

INTRODUCED BY HARP, DEVLIN, M. WILLIAMS
BY REQUEST OF THE HOUSE TAXATION COMMITTEE

IN THE HOUSE

February 11, 1984	Introduced and referred to Committee on Taxation.
February 12, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 13, 1985	On motion, consideration passed until 34th Legislative Day.
February 14, 1985	Second reading, do pass. Considered correctly engrossed.
February 15, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 16, 1985	Introduced and referred to Committee on State Administration.
March 12, 1985	Fiscal Note requested.
March 14, 1985	Fiscal Note returned.
March 15, 1985	Committee recommend bill be concurrent in. Report adopted.
March 21, 1985	Second reading, concurred in.

March 23, 1985

Third reading, concurred in.
Ayes, 49; Noes, 0.

Returned to House.

IN THE HOUSE

March 25, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 800
 2 INTRODUCED BY Harold A. Williams
 3 BY REQUEST OF THE HOUSE TAXATION COMMITTEE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT THE
 6 STATE'S ACCOUNTING SYSTEM BE ESTABLISHED AND STATE AGENCY
 7 FINANCIAL RECORDS AND REPORTS BE PREPARED IN ACCORDANCE WITH
 8 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND AMENDING
 9 SECTIONS 17-1-102 AND 17-2-110, MCA."

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

12 Section 1. Section 17-1-102, MCA, is amended to read:

13 "17-1-102. Uniform accounting system and expenditure
 14 control. (1) The department shall establish a system of
 15 financial control so that the functioning of the various
 16 agencies of the state may be improved, duplications of work
 17 by different state agencies and employees eliminated, public
 18 service improved, and the cost of government reduced.

19 (2) The department shall prescribe and install uniform
 20 accounting and reporting for all state agencies and
 21 institutions, showing the receipt, use, and disposition of
 22 all public money and property in accordance with generally
 23 accepted accounting principles, and shall develop plans for
 24 improvements and economies in the organization and operation
 25 thereof, which shall be submitted to the respective heads of

1 agencies and institutions. Copies of all such plans shall be
 2 delivered to the governor, and additional copies shall be
 3 retained in the office of the department for inspection by
 4 the members of the legislature.

5 (3) The department shall examine all financial affairs
 6 of every state agency and institution for the purpose of
 7 developing plans for improvements and economies in the
 8 organization and operation thereof and for the purpose of
 9 enabling the department to properly perform any of the
 10 duties imposed upon the department by this part.

11 (4) All state agencies, including units of the
 12 university system and the vocational-technical centers,
 13 shall input all necessary transactions to the accounting
 14 system prescribed in subsection (2) before the accounts are
 15 closed at the end of the fiscal year in order to present the
 16 receipt, use, and disposition of all money and property for
 17 which the agency is accountable in accordance with generally
 18 accepted accounting principles, except that for budgetary
 19 control purposes, encumbrances which are required by
 20 generally accepted accounting principles to be reported as a
 21 reservation of fund balance shall be recorded as
 22 expenditures and liabilities on the accounting records."

23 Section 2. Section 17-2-110, MCA, is amended to read:

24 "17-2-110. Fiscal year and financial reports. (1) The
 25 fiscal year for state purposes commences on July 1 of each

1 year and ends on June 30 of each year.

2 (2) At the close of each fiscal year the fiscal
3 records of each state office, department, bureau,
4 commission, institution, university unit,
5 vocational-technical center, and agency (hereinafter
6 collectively referred to as "state agency") shall be closed
7 as of the end of the fiscal year. Each state agency shall
8 prepare such financial statements and reconciliations for
9 the fiscal year as the department of administration may
10 prescribe. These financial reports are to be completed and
11 distributed not more than 31 days following the close of
12 each fiscal year. The department of administration may
13 extend this time limit if a state agency can show necessity
14 therefor.

15 (3) The reports are to be distributed to the
16 department of administration and the legislative auditor and
17 any other state agency the department of administration may
18 prescribe. It is the intent of this provision that these
19 reports accurately and comprehensively present the financial
20 activities of the reporting state agency in accordance with
21 generally accepted accounting principles so that the reports
22 can be effectively utilized by the executive and legislative
23 branches of state government.

24 (4) Upon consolidation of the reports, the annual
25 financial report by the department of administration will be

1 available for other individuals and organizations interested
2 in the financial affairs of the state of Montana."

3 NEW SECTION. Section 3. Extension of authority. Any
4 existing authority of the department of administration to
5 make rules on the subject of the provisions of this act is
6 extended to the provisions of this act.

-End-

STATE OF MONTANA

REQUEST NO. FNN 514-85

FISCAL NOTE

Form BD-15

In compliance with a written request received March 12, 19 85, there is hereby submitted a Fiscal Note for H.B. 800 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). 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:

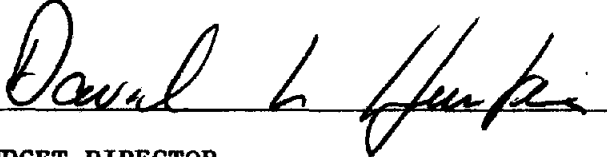
House Bill 800 requires that state agency financial records and reports be prepared in accordance with generally accepted accounting principles.

ASSUMPTIONS:

1. The fiscal year-end adjustment period is extended long enough to enable campuses and vo-techs to review their accounts in order to make adjustments to SBAS to be in conformity with GAAP.

FISCAL IMPACT:

No fiscal impact.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: March 14, 1985

HB 800

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 800

INTRODUCED BY Harp Williamson
BY REQUEST OF THE HOUSE TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT THE STATE'S ACCOUNTING SYSTEM BE ESTABLISHED AND STATE AGENCY FINANCIAL RECORDS AND REPORTS BE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND AMENDING SECTIONS 17-1-102 AND 17-2-110, MCA."

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

Section 1. Section 17-1-102, MCA, is amended to read:

"17-1-102. Uniform accounting system and expenditure control. (1) The department shall establish a system of financial control so that the functioning of the various agencies of the state may be improved, duplications of work by different state agencies and employees eliminated, public service improved, and the cost of government reduced.

(2) The department shall prescribe and install uniform accounting and reporting for all state agencies and institutions, showing the receipt, use, and disposition of all public money and property in accordance with generally accepted accounting principles, and shall develop plans for improvements and economies in the organization and operation thereof, which shall be submitted to the respective heads of

agencies and institutions. Copies of all such plans shall be delivered to the governor, and additional copies shall be retained in the office of the department for inspection by the members of the legislature.

(3) The department shall examine all financial affairs of every state agency and institution for the purpose of developing plans for improvements and economies in the organization and operation thereof and for the purpose of enabling the department to properly perform any of the duties imposed upon the department by this part.

(4) All state agencies, including units of the university system and the vocational-technical centers, shall input all necessary transactions to the accounting system prescribed in subsection (2) before the accounts are closed at the end of the fiscal year in order to present the receipt, use, and disposition of all money and property for which the agency is accountable in accordance with generally accepted accounting principles, except that for budgetary control purposes, encumbrances which are required by generally accepted accounting principles to be reported as a reservation of fund balance shall be recorded as expenditures and liabilities on the accounting records."

Section 2. Section 17-2-110, MCA, is amended to read:

"17-2-110. Fiscal year and financial reports. (1) The fiscal year for state purposes commences on July 1 of each

1 year and ends on June 30 of each year.

2 (2) At the close of each fiscal year the fiscal
3 records of each state office, department, bureau,
4 commission, institution, university unit,
5 vocational-technical center, and agency (hereinafter
6 collectively referred to as "state agency") shall be closed
7 as of the end of the fiscal year. Each state agency shall
8 prepare such financial statements and reconciliations for
9 the fiscal year as the department of administration may
10 prescribe. These financial reports are to be completed and
11 distributed not more than 31 days following the close of
12 each fiscal year. The department of administration may
13 extend this time limit if a state agency can show necessity
14 therefor.

15 (3) The reports are to be distributed to the
16 department of administration and the legislative auditor and
17 any other state agency the department of administration may
18 prescribe. It is the intent of this provision that these
19 reports accurately and comprehensively present the financial
20 activities of the reporting state agency in accordance with
21 generally accepted accounting principles so that the reports
22 can be effectively utilized by the executive and legislative
23 branches of state government.

24 (4) Upon consolidation of the reports, the annual
25 financial report by the department of administration will be

1 available for other individuals and organizations interested
2 in the financial affairs of the state of Montana."

3 NEW SECTION. Section 3. Extension of authority. Any
4 existing authority of the department of administration to
5 make rules on the subject of the provisions of this act is
6 extended to the provisions of this act.

-End-

HOUSE BILL NO. 800

INTRODUCED BY ADP M. Williams

BY REQUEST OF THE HOUSE TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT THE STATE'S ACCOUNTING SYSTEM BE ESTABLISHED AND STATE AGENCY FINANCIAL RECORDS AND REPORTS BE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND AMENDING SECTIONS 17-1-102 AND 17-2-110, MCA."

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

Section 1. Section 17-1-102, MCA, is amended to read:

"17-1-102. Uniform accounting system and expenditure control. (1) The department shall establish a system of financial control so that the functioning of the various agencies of the state may be improved, duplications of work by different state agencies and employees eliminated, public service improved, and the cost of government reduced.

(2) The department shall prescribe and install uniform accounting and reporting for all state agencies and institutions, showing the receipt, use, and disposition of all public money and property in accordance with generally accepted accounting principles, and shall develop plans for improvements and economies in the organization and operation thereof, which shall be submitted to the respective heads of

agencies and institutions. Copies of all such plans shall be delivered to the governor, and additional copies shall be retained in the office of the department for inspection by the members of the legislature.

(3) The department shall examine all financial affairs of every state agency and institution for the purpose of developing plans for improvements and economies in the organization and operation thereof and for the purpose of enabling the department to properly perform any of the duties imposed upon the department by this part.

(4) All state agencies, including units of the university system and the vocational-technical centers, shall input all necessary transactions to the accounting system prescribed in subsection (2) before the accounts are closed at the end of the fiscal year in order to present the receipt, use, and disposition of all money and property for which the agency is accountable in accordance with generally accepted accounting principles, except that for budgetary control purposes, encumbrances which are required by generally accepted accounting principles to be reported as a reservation of fund balance shall be recorded as expenditures and liabilities on the accounting records."

Section 2. Section 17-2-110, MCA, is amended to read:

"17-2-110. Fiscal year and financial reports. (1) The fiscal year for state purposes commences on July 1 of each

1 year and ends on June 30 of each year.

2 (2) At the close of each fiscal year the fiscal
3 records of each state office, department, bureau,
4 commission, institution, university unit,
5 vocational-technical center, and agency (hereinafter
6 collectively referred to as "state agency") shall be closed
7 as of the end of the fiscal year. Each state agency shall
8 prepare such financial statements and reconciliations for
9 the fiscal year as the department of administration may
10 prescribe. These financial reports are to be completed and
11 distributed not more than 31 days following the close of
12 each fiscal year. The department of administration may
13 extend this time limit if a state agency can show necessity
14 therefor.

15 (3) The reports are to be distributed to the
16 department of administration and the legislative auditor and
17 any other state agency the department of administration may
18 prescribe. It is the intent of this provision that these
19 reports accurately and comprehensively present the financial
20 activities of the reporting state agency in accordance with
21 generally accepted accounting principles so that the reports
22 can be effectively utilized by the executive and legislative
23 branches of state government.

24 (4) Upon consolidation of the reports, the annual
25 financial report by the department of administration will be

1 available for other individuals and organizations interested
2 in the financial affairs of the state of Montana."

3 NEW SECTION. Section 3. Extension of authority. Any
4 existing authority of the department of administration to
5 make rules on the subject of the provisions of this act is
6 extended to the provisions of this act.

-End-

HOUSE BILL NO. 800

INTRODUCED BY HARP, DEVLIN, M. WILLIAMS
BY REQUEST OF THE HOUSE TAXATION COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT THE STATE'S ACCOUNTING SYSTEM BE ESTABLISHED AND STATE AGENCY FINANCIAL RECORDS AND REPORTS BE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND AMENDING SECTIONS 17-1-102 AND 17-2-110, MCA."

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

Section 1. Section 17-1-102, MCA, is amended to read:

"17-1-102. Uniform accounting system and expenditure control. (1) The department shall establish a system of financial control so that the functioning of the various agencies of the state may be improved, duplications of work by different state agencies and employees eliminated, public service improved, and the cost of government reduced.

(2) The department shall prescribe and install uniform accounting and reporting for all state agencies and institutions, showing the receipt, use, and disposition of all public money and property in accordance with generally accepted accounting principles, and shall develop plans for improvements and economies in the organization and operation thereof, which shall be submitted to the respective heads of

agencies and institutions. Copies of all such plans shall be delivered to the governor, and additional copies shall be retained in the office of the department for inspection by the members of the legislature.

(3) The department shall examine all financial affairs of every state agency and institution for the purpose of developing plans for improvements and economies in the organization and operation thereof and for the purpose of enabling the department to properly perform any of the duties imposed upon the department by this part.

(4) All state agencies, including units of the university system and the vocational-technical centers, shall input all necessary transactions to the accounting system prescribed in subsection (2) before the accounts are closed at the end of the fiscal year in order to present the receipt, use, and disposition of all money and property for which the agency is accountable in accordance with generally accepted accounting principles, except that for budgetary control purposes, encumbrances which are required by generally accepted accounting principles to be reported as a reservation of fund balance shall be recorded as expenditures and liabilities on the accounting records."

Section 2. Section 17-2-110, MCA, is amended to read:

"17-2-110. Fiscal year and financial reports. (1) The fiscal year for state purposes commences on July 1 of each



1 year and ends on June 30 of each year.

2 (2) At the close of each fiscal year the fiscal
3 records of each state office, department, bureau,
4 commission, institution, university unit,
5 vocational-technical center, and agency (hereinafter
6 collectively referred to as "state agency") shall be closed
7 as of the end of the fiscal year. Each state agency shall
8 prepare such financial statements and reconciliations for
9 the fiscal year as the department of administration may
10 prescribe. These financial reports are to be completed and
11 distributed not more than 31 days following the close of
12 each fiscal year. The department of administration may
13 extend this time limit if a state agency can show necessity
14 therefor.

15 (3) The reports are to be distributed to the
16 department of administration and the legislative auditor and
17 any other state agency the department of administration may
18 prescribe. It is the intent of this provision that these
19 reports accurately and comprehensively present the financial
20 activities of the reporting state agency in accordance with
21 generally accepted accounting principles so that the reports
22 can be effectively utilized by the executive and legislative
23 branches of state government.

24 (4) Upon consolidation of the reports, the annual
25 financial report by the department of administration will be

1 available for other individuals and organizations interested
2 in the financial affairs of the state of Montana."

3 NEW SECTION. Section 3. Extension of authority. Any
4 existing authority of the department of administration to
5 make rules on the subject of the provisions of this act is
6 extended to the provisions of this act.

-End-