

House BILL NO. 330

INTRODUCED BY Cobb

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE REQUIREMENT THAT GENERAL FUND
5 ENCUMBRANCES BE TREATED AS EXPENDITURES FOR ACCOUNTING PURPOSES; AND AMENDING
6 SECTION 17-1-102, MCA."

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

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

11 **"17-1-102. Uniform accounting system and expenditure control.** (1) The department shall establish
12 a system of financial control so that the functioning of the various agencies of the state may be improved,
13 duplications of work by different state agencies and employees eliminated, public service improved, and
14 the cost of government reduced.

15 (2) The department shall prescribe and install uniform accounting and reporting for all state
16 agencies and institutions, showing the receipt, use, and disposition of all public money and property in
17 accordance with generally accepted accounting principles, and The department shall develop plans for
18 improvements and economies in the organization and operation thereof of the uniform accounting and
19 reporting system, which shall must be submitted to the respective heads of agencies and institutions.
20 Copies of all such plans shall must be delivered to the governor, and additional copies shall must be
21 retained in the office of the department for inspection by the members of the legislature.

22 (3) The uniform accounting and reporting system must contain three levels of expenditure. The first
23 level must include general categories, such as personal services, operating expenses, equipment, capital
24 outlay, local assistance, grants, benefits and claims, transfers, and debt service. The second level of
25 expenditure must include specific categories of expenditures within each first-level category. The third level
26 of expenditure must include specific items of expenditure within each category of the second level.

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

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