STATE OF OKLAHOMA

1st Session of the 43rd Legislature (1991)

HOUSE BILL NO. 1365 BY: THOMAS

AS INTRODUCED

AN ACT RELATING TO PUBLIC FINANCE; AMENDING 62 O.S. 1981, SECTION 41.21, AS LAST AMENDED BY SECTION 15, CHAPTER 265, O.S.L. 1990 (62 O.S. SUPP. 1990, SECTION 41.21), WHICH RELATES TO PAYMENT OF CERTAIN CLAIMS OR PAYROLLS; AUTHORIZING THE STATE SYSTEM OF HIGHER EDUCATION TO ESTABLISH A SYSTEM FOR CLAIM SETTLEMENT; PROVIDING PROCEDURES AND LIMITATIONS; AND DECLARING AN EMERGENCY.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 62 O.S. 1981, Section 41.21, as last amended by Section 15, Chapter 265, O.S.L. 1990 (62 O.S. Supp. 1990, Section 41.21), is amended to read as follows:

Section 41.21 A. Procedures for effecting payment of claims or payrolls shall include the following:

~~A.~~ 1. All claims and payrolls which are to be used to authorize the payment of money from the State Treasury, shall be filed with the Director of State Finance for audit and settlement prior to being filed for payment with the State Treasurer. The Director of State Finance may, at his discretion, establish a procedure to permit consolidated payment to vendors for claims involving more

than one agency of the state when audit and settlement of such claims, as hereinafter provided, can in all respects be accomplished.

~~B.~~ 2. The Division of Central Accounting and Reporting shall preaudit all claims against contracts, purchase orders and other commitments before entering such claims against the appropriation allotment accounts.

~~C.~~ 3. After claims and/or payrolls have been properly audited and recorded against the respective appropriation allotment accounts, the Division of Central Accounting and Reporting shall certify such claims and/or payrolls to the State Treasurer for payment. It shall be the responsibility of the Division of Central Accounting and Reporting to determine~~,~~:

~~(1)~~ a. that all legal requirements concerning the expenditure of monies involved in each claim or payroll have been complied with,

~~(2)~~ b. that funds have been properly and legally allotted for the payment of the claim or payroll and that a sufficient balance exists for the payment of same.

Sufficient space shall be provided on each claim and/or payroll for the Director of State Finance to indicate that the claim or payroll has been approved for payment by the Division of Central Accounting and Reporting. The Director of State Finance shall authorize bonded employees in the Division of Central Accounting and Reporting to execute the signed approval of each claim or payroll which shall be certified to the State Treasurer for payment.

~~D.~~ B. Notwithstanding the provisions of ~~subsections~~ subsection A~~, B or C~~ of this section, the Department of Human Services is authorized to establish an encumbrance and preaudit system for settlement of claims relating to public assistance, social service benefits and medical benefits to or for persons eligible under applicable federal laws and regulations, Oklahoma Statutes, and

policies established by the Oklahoma Commission for Human Services. The following programs shall be eligible for this procedure:

1. Aid to Families with Dependent Children;

2. Aid to Aged, Blind and Disabled;

3. Medical Assistance;

4. Vocational Rehabilitation;

5. Day Care;

6. Visual Services;

7. Refugee Resettlement;

8. Low Income Heating and Energy Assistance;

9. General Assistance;

10. Crippled Children;

11. Social Services under Title XX of the U.S. Social Security Act;

12. Adoption Subsidies;

13. Foster Care;

14. Medical Examination; and

15. Area Agencies on Aging.

The Department of Human Services shall provide to the Director of State Finance, for approval prior to inclusion in this procedure, detailed listings of the type of payments to be made for each of these programs. The Department of Human Services shall provide the Director of State Finance a daily report of the dollar amount of claims settled and checks or warrants written, the dollar amount of checks or warrants canceled, and the dollar amount of checks or warrants canceled by statutes.

C. Notwithstanding the provisions of subsection A of this section, any institution within The State System of Higher Education is authorized to establish an encumbrance and preaudit system for settlement of claims. Each such institution shall provide to the Director of State Finance, for approval prior to inclusion in this procedure, a detailed listing of the type of payments to be made.

Each such institution shall provide to the Director of State Finance a daily report of the dollar amount of claims settled and checks or warrants written, and the dollar amount of checks or warrants canceled.

~~E.~~ D. The State Treasurer shall write checks or warrants in payment of claims and payrolls certified to him for payment by the Division of Central Accounting and Reporting or the Department of Human Services. The State Treasurer, at his discretion and within such limitations as he may prescribe, may authorize the Director of State Finance or the Department of Human Services to write the checks or warrants for payment of claims and payrolls that have been certified by the respective agency. The Director of State Finance and the Department of Human Services shall provide the State Treasurer a register of each payment for each check or warrant written. Provided, in lieu of checks or warrants:

1. The Director of State Finance may, with the concurrence of the State Treasurer, establish a procedure to effect the settlement of interagency claims by transfer entry; and

2. At the discretion of the State Treasurer, payment of claims and payrolls may be made by the electronic transfer of funds.

Such optional settlement modes may be implemented when the authorized officer or officers of the state are satisfied such modes will substantially operate to the benefit of the state and without sacrifice to the security and integrity of the monies and records of the state.

~~F.~~ E. The Director of State Finance is authorized to use a numeric or alphanumeric designation to cross-reference claims or payrolls to check warrant numbers, transfer entry or optional settlement mode used in the payment thereof.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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