

STATE OF OKLAHOMA

1st Session of the 44th Legislature (1993)

HOUSE BILL NO. 1153

By: Roach

AS INTRODUCED

An Act relating to schools; amending 70 O.S. 1991, Section 3903, which relates to petty cash funds under control of the State Regents for Higher Education; authorizing said Regents to establish the expenditure limit for petty cash fund expenditures; providing exceptions to certain prohibited expenditures; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 3903, is amended to read as follows:

Section 3903. (a) The Oklahoma State System of Higher Education shall operate an allotment system similar to the procedure set out in the Oklahoma Budget Law of 1947, Sections 41.1 et seq. of Title 62 of the Oklahoma Statutes, for other agencies of the state except that the State Regents shall be substituted for the Director of State Finance in connection with approving allotment requests of the constituent institutions and agencies comprising the State System. The account classification for the State System shall

conform as nearly as possible with the classification of accounts recommended by the publications of the National Association of College and University Business Officers. The State Regents shall allocate to each institution and agency in the State System, from the consolidated or lump-sum appropriation made by the Legislature, an amount sufficient to meet the needs and functions of the institution or agency for the entire year. Upon such allocation, monies appropriated for educational and general purposes shall be transferred to the Educational and General Operations Revolving Fund of the institution or agency and monies appropriated for capital improvement purposes shall be transferred to the Capital Improvement Revolving Fund of the institution or agency. The amount allocated to an institution or agency for each fiscal year shall be made in a lump sum without regard to uniform budget or accounting classifications, but shall not be available for expenditure until subsequently allotted by the State Regents.

(b) The State Regents, with the approval of the Director of State Finance, may allot money to any such institution or agency to establish and operate a petty cash fund at the institution or agency; said fund shall only be reimbursed upon the filing of claims showing the purposes for which the money was expended. No single expenditure from any petty cash fund so established and operated shall exceed ~~Three Hundred Dollars (\$300.00)~~ an amount established by the State Regents except that expenditures from petty cash funds at international facilities and out-of-state programs and participant expenses that are specifically approved in the sponsored project award document, including but not limited to grants, contracts and cooperative agreements, for allowances such as lodging, meals and books for nonstate or noncollege and university employees shall be exempt from the single expenditure limit established by the State Regents. Splitting of invoices for the purpose of avoiding this limitation is prohibited. Except for

payments to temporary farm crews employed at Oklahoma Agricultural Experiment Stations, and payments for temporary workers and professional technicians hired by the University of Oklahoma at international and out-of-state facilities, expenditures from such fund for personal services, travel reimbursement, or professional services are prohibited. The Oklahoma State Regents for Higher Education shall publish uniform guidelines applicable to all institutions of higher education for expenditures from petty cash funds, which shall be strictly adhered to.

(c) Governing boards of control are integral parts of institutions under their respective jurisdiction; therefore, the expenses of boards in carrying out their respective duties shall be paid from the operating budgets of the institutions and other budget agencies under their jurisdiction. In cases where a board is the governing board for two or more institutions and/or other budget agencies, the board shall prorate its operating expenses among the institutions and/or other budget agencies so governed. Prior to the beginning of the fiscal year, each board shall prepare a budget, setting out in detail its necessary expenses for the entire fiscal year and shall, not later than July 1, file a copy of its budget with the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Director of State Finance and the Legislative Service Bureau. Said budget shall include all full-time-equivalent positions in each activity or division and an itemization of all sources of income used for operations and programs. Each board shall revise its budget, if necessary, and provide said revisions to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Director of State Finance, and the Legislative Service Bureau not later than January 1 of each year. In cases where a board has jurisdiction over two or more institutions or budget agencies, it shall, not later than July 1, notify the President of each institution as to the amount of its

pro rata share of the board's expense budget that will be assessed against the institution and/or other budget agency during the fiscal year.

(d) Prior to the beginning of the fiscal year, the coordinating board of the Oklahoma State Regents for Higher Education shall prepare a budget setting out in detail its necessary expenses for the entire fiscal year, and, not later than July 1, shall file a copy of its budget with the Director of State Finance and the Legislative Service Bureau. The State Regents shall allocate the money required to fund its budget prior to making distribution of appropriated monies to the various institutions of The Oklahoma State System of Higher Education.

(e) The Division of Central Accounting and Reporting shall make cash allocations of revenue in accordance with Section 23 of Article X of the Oklahoma Constitution, to each institution and agency, considering the total allocation made by the State Regents from the lump-sum legislative appropriation as the total appropriation for the institution or agency, in lieu of legislative appropriations. All income available to an institution or agency for educational and general purposes, as defined in the uniform budget and accounting classifications recommended by the publications of the National Association of College and University Business Officers, and including income defined by law as revolving fund income, shall operate as a continuing nonfiscal appropriation which may be expended for any educational and general purpose for which appropriated funds may be expended, if allocated and allotted in accordance with the Oklahoma Budget Law of 1947, as provided in this section; provided that no obligation shall be incurred in excess of the unencumbered balance of cash on hand.

(f) At least thirty (30) days prior to the beginning of each fiscal year, each of the constituent institutions and agencies shall file with the State Regents its request for appropriation allotments

for each of the purposes for which expenditures are to be made. Such requests shall be in conformity with the uniform budget or accounting classifications recommended by the publications of the National Association of College and University Business Officers. Each request for appropriation allotments shall show the amount required to finance each item of the request for the entire year and for each quarter or each six-month period within the fiscal year, as required by the Director of State Finance. The State Regents, or their designated official or employee who has been authorized to approve itemized allotment requests, shall consider the allotment requests for the purpose of making a determination that: (1) the current financial requirements of the institution or agency concerned justify the allotment to be made; (2) the accounting classification is sufficient to reflect the purpose for which expenditures are to be made and that such classification is in accordance with the budget classifications adopted by the Director of State Finance and the State Regents, which shall conform as nearly as possible to the account classification recommended by the publications of the National Association of College and University Business Officers; and (3) the realization of estimated revenues determined by the Director of State Finance is sufficient to allow the commitments to be made. In allotting appropriations and other funds, and approving subsequent allotments, which may be required by each institution and agency the State Regents shall follow the same general procedure as other agencies of the state not under the control of the State Regents, except as otherwise provided in this section. All forms and account classifications shall be mutually agreed upon by the Director of State Finance and the State Regents. The State Regents shall file approved requests of constituent institutions and agencies with the Division of Central Accounting and Reporting. The State Regents and the Director of State Finance shall approve any request from the administrative head of a

constituent institution or agency for amendment of the approved schedule of positions and salaries or transfers between items, so long as the currently approved allotment for such purposes is not exceeded and each such amendment shall be filed with the Director of State Finance, in such detail as he may require, prior to the date on which the first payroll or other disbursement affected by such amendments is submitted for payment. In the event that the realization of estimated revenues at any time during the fiscal year indicates that the total revenue from that fiscal year to any state fund will be insufficient at the end of the fiscal year to meet the total appropriations from that fund, the Director of State Finance shall notify the State Regents as to the amount of reduction necessary against the consolidated, or lump-sum appropriation, made to the State Regents.

(g) The State Regents in making itemized allotments during the fiscal year, may reserve an amount sufficient to meet a reasonable failure of revenue until receipt of notice from the Director of State Finance that the realization of estimated revenues indicates that the total appropriations may be allotted for expenditure. Upon receipt of notice from the Director of State Finance of a necessary reduction in the consolidated, or lump-sum appropriation, to meet a failure in revenue, the State Regents shall immediately take action to control the approval of subsequent allotment requests sufficient to make the aggregate reduction in allotments of all constituent institutions under their control equal the amount of reduction ordered against the lump-sum appropriation made by the Legislature. Such reductions against the lump-sum appropriation shall not exceed the percentage reduction ordered against other agencies of the state, in accordance with Section 23 of Article X of the Oklahoma Constitution.

SECTION 2. This act shall become effective July 1, 1993.

SECTION 3. 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.

44-1-5975

MCD