

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL 425

By: Dugger

6 AS INTRODUCED

7 An Act relating to public finance; amending 62 O.S.
8 2011, Section 34.64, as last amended by Section 1,
Chapter 252, O.S.L. 2015 (62 O.S. Supp. 2018, Section
9 34.64), which relates to claims and payrolls;
10 authorizing the Director of the Office of Management
and Enterprise Services to establish certain
11 alternative procedures; and providing an effective
date.

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

14 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.64, as
15 last amended by Section 1, Chapter 252, O.S.L. 2015 (62 O.S. Supp.
16 2018, Section 34.64), is amended to read as follows:

17 Section 34.64. A. Except as otherwise provided in the Oklahoma
18 State Finance Act, procedures for paying claims or payrolls shall
19 include the following:

20 1. All miscellaneous claims and payroll claims for the payment
21 of money from the State Treasury shall be filed with the Director of
22 the Office of Management and Enterprise Services for audit and
23 settlement prior to being filed for payment with the State
24 Treasurer;

1 2. The Director of the Office of Management and Enterprise
2 Services may establish alternative procedures for the settlement of
3 claims and use of contracted vendors whenever such procedures are
4 more advantageous so long as they are consistent with the
5 requirements of state law;

6 3. Such alternative procedures shall be at the discretion of
7 the Director of the Office of Management and Enterprise Services and
8 may include, but are not limited to:

9 a. a procedure to permit consolidated payment to vendors
10 for claims involving more than one agency of the state
11 when audit and settlement of such claims, as
12 hereinafter provided, can in all respects be
13 accomplished,

14 b. procedures based upon valid statistical sampling
15 models for preaudit of claims, against contracts,
16 purchase orders and other commitments before entering
17 such claims against the accounts, and

18 c. policies, procedures and performance criteria for the
19 participation of agencies or departments, not
20 authorized by this section, to engage in an
21 alternative system for the settlement of claims; and

22 4. The Director of the Office of Management and Enterprise
23 Services may use a numeric or alphanumeric designation to cross-
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1 reference claims or payrolls to check warrant numbers, transfer
2 entry or optional settlement mode used in the payment thereof.

3 B. After claims or payrolls or both have been properly audited
4 and recorded against the respective contracts, purchase orders,
5 other commitments and accounts, the Division of Central Accounting
6 and Reporting shall certify such claims or payrolls to the State
7 Treasurer for payment.

8 C. It shall be the responsibility of the Division of Central
9 Accounting and Reporting to determine that:

10 1. All material legal requirements concerning the expenditure
11 of monies involved in each claim or payroll have been complied with;

12 2. Funds have been properly and legally allotted for the
13 payment of the claim or payroll; and

14 3. A sufficient balance exists for the payment of same.

15 D. The Director of the Office of Management and Enterprise
16 Services or bonded employees in the Division of Central Accounting
17 and Reporting authorized by the Director shall certify to the State
18 Treasurer that the claim or payroll has been approved for payment.

19 E. 1. The Director of the Office of Management and Enterprise
20 Services shall be authorized to establish necessary agency
21 disbursing funds to efficiently accommodate the cash flow
22 requirements of applicable federal regulations, bond indebtedness
23 and other directives deemed appropriate by the Director.

1 2. Agencies operating such disbursing funds are authorized to
2 establish a preaudit and settlement system for claims or payments or
3 both relating to the purposes of the stated directives.

4 3. The State Treasurer shall establish procedures for the state
5 in accordance with Federal Banking and National Automated Clearing
6 House Association standards and agencies shall be required to
7 utilize automated clearing house procedures established by the State
8 Treasurer.

9 4. No individual or entity shall be required to have a bank
10 account unless required by federal law or federal regulation.

11 5. Agencies shall be further required to present these
12 transactions to the Office of Management and Enterprise Services in
13 a summarized format and shall include any accounting information
14 necessary as determined by the Director of the Office of Management
15 and Enterprise Services including, but not limited to, information
16 related to federal law.

17 6. Administrative expenditures shall not be eligible for these
18 procedures.

19 7. The efficiency of the payment system shall be considered
20 when the interest earnings of the state are not diminished.

21 F. The Director of the Office of Management and Enterprise
22 Services shall be authorized to process payments for federal tax
23 withholding without claim forms. The Director shall establish a
24 separate fund for the purpose of accumulating federal income tax

1 withholding from payrolls and remitting same to the United States
2 Treasury. Institutions under the administrative authority of the
3 Oklahoma State Regents for Higher Education which are responsible
4 for processing payments for federal tax withholding shall be
5 authorized to process such payments to the United States Treasury
6 without claim forms.

7 G. 1. The Director of the Office of Management and Enterprise
8 Services shall be authorized to process, without claim forms,
9 interest payments to the U.S. Treasury as required by federal law.

10 2. Agencies are responsible for the accrual of such interest
11 liability of the state and shall provide payment to the Office of
12 Management and Enterprise Services in the amount and method
13 prescribed by the Director of the Office of Management and
14 Enterprise Services.

15 3. Any liability of the U.S. Treasury as determined by federal
16 law shall be deposited in the State Treasury and transferred by the
17 Director of the Office of Management and Enterprise Services to the
18 General Revenue Fund of the state subsequent to final determination
19 and necessary audit resolution.

20 H. Payments disbursed from the State Treasury shall be conveyed
21 solely through an electronic payment mechanism. The State Treasurer
22 may provide an exemption from the provisions of this subsection,
23 with cause, provided the number of exempted payments and a
24 corresponding list of causes shall be published in a regularly

1 updated report which is featured prominently on the State
2 Treasurer's website.

3 SECTION 2. This act shall become effective November 1, 2019.
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