

1 ENGROSSED HOUSE
2 BILL NO. 2747

By: Wallace and Hilbert of the
House

3 and

4 Thompson and Rader of the
5 Senate

6
7
8 An Act relating to public finance; amending 62 O.S.
9 2011, Section 34.64, as last amended by Section 1,
10 Chapter 252, O.S.L. 2015 (62 O.S. Supp. 2018, Section
11 34.64), which relates to the Oklahoma State Finance
12 Act; providing exceptions for certain Automated
13 Clearing House transactions; authorizing the Director
14 of the Office of Management and Enterprise Services
15 to establish certain procedures; and requiring state
16 agencies to provide certain notice to the State
17 Treasurer prior to authorizing certain transactions.

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

19 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.64, as
20 last amended by Section 1, Chapter 252, O.S.L. 2015 (62 O.S. Supp.
21 2018, Section 34.64), is amended to read as follows:

22 Section 34.64 A. Except as otherwise provided in the Oklahoma
23 State Finance Act and except for Automated Clearing House (ACH)
24 debits for transactional fees, procedures for paying claims or
payrolls shall include the following:

1. All miscellaneous claims and payroll claims for the payment
of money from the State Treasury shall be filed with the Director of

1 the Office of Management and Enterprise Services for audit and
2 settlement prior to being filed for payment with the State
3 Treasurer;

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

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

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

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

20 c. policies, procedures and performance criteria for the
21 participation of agencies or departments, not
22 authorized by this section, to engage in an
23 alternative system for the settlement of claims; and
24

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

5 B. ~~After~~ Except for ACH debits for transactional fees, after
6 claims or payrolls or both have been properly audited and recorded
7 against the respective contracts, purchase orders, other commitments
8 and accounts, the Division of Central Accounting and Reporting shall
9 certify such claims or payrolls to the State Treasurer for payment.

10 C. ~~It~~ Except for ACH debits for transactional fees, it shall be
11 the responsibility of the Division of Central Accounting and
12 Reporting to determine that:

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

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

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

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

22 E. 1. The Director of the Office of Management and Enterprise
23 Services shall be authorized to establish necessary agency
24 disbursing funds to efficiently accommodate the cash flow

1 requirements of applicable federal regulations, bond indebtedness
2 and other directives deemed appropriate by the Director.

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

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

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

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

19 6. Administrative expenditures shall not be eligible for these
20 procedures.

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

23 F. The Director of the Office of Management and Enterprise
24 Services shall be authorized to process payments for federal tax

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

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

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

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

22 H. Payments disbursed from the State Treasury shall be conveyed
23 solely through an electronic payment mechanism. The State Treasurer
24 may provide an exemption from the provisions of this subsection,

1 with cause, provided the number of exempted payments and a
2 corresponding list of causes shall be published in a regularly
3 updated report which is featured prominently on the State
4 Treasurer's website.

5 I. Notwithstanding any other provision of the Oklahoma State
6 Finance Act and subject to any applicable restrictions in the
7 Oklahoma Constitution, the Director of the Office of Management and
8 Enterprise Services may establish procedures by which agencies may
9 contract for, incur and account for transaction-based fees, such as
10 fees for accepting credit cards, that may be processed by ACH debit
11 without claim forms, provided the agency has sufficient statutory
12 authority for purchase. Prior to authorizing ACH debit transactions
13 without claim forms, state agencies shall provide notice to the
14 State Treasurer.

15 Passed the House of Representatives the 17th day of May, 2019.

16
17
18 Presiding Officer of the House
19 of Representatives

20 Passed the Senate the ___ day of _____, 2019.

21
22 Presiding Officer of the Senate