

An Act

ENROLLED HOUSE
BILL NO. 2747

By: Wallace and Hilbert of the
House

and

Thompson and Rader of the
Senate

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

SUBJECT: Public finance

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

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

Section 34.64 A. Except as otherwise provided in the Oklahoma State Finance Act and except for Automated Clearing House (ACH) 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 the Office of Management and Enterprise Services for audit and settlement prior to being filed for payment with the State Treasurer;

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

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

- a. 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. procedures based upon valid statistical sampling models for preaudit of claims, against contracts, purchase orders and other commitments before entering such claims against the accounts, and
- c. policies, procedures and performance criteria for the participation of agencies or departments, not authorized by this section, to engage in an alternative system for the settlement of claims; and

4. The Director of the Office of Management and Enterprise Services may 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

F. The Director of the Office of Management and Enterprise Services shall be authorized to process payments for federal tax withholding without claim forms. The Director shall establish a separate fund for the purpose of accumulating federal income tax withholding from payrolls and remitting same to the United States

Treasury. Institutions under the administrative authority of the Oklahoma State Regents for Higher Education which are responsible for processing payments for federal tax withholding shall be authorized to process such payments to the United States Treasury without claim forms.

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

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

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

H. Payments disbursed from the State Treasury shall be conveyed solely through an electronic payment mechanism. The State Treasurer may provide an exemption from the provisions of this subsection, with cause, provided the number of exempted payments and a corresponding list of causes shall be published in a regularly updated report which is featured prominently on the State Treasurer's website.

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

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

Presiding Officer of the House
of Representatives

Passed the Senate the 21st day of May, 2019.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____