

No. 4

AN ACT

HB 45

Amending the act of April 9, 1929 (P.L.343), entitled "An act relating to the finances of the State government; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," implementing the provisions of Article VIII, section 10 of the Constitution of Pennsylvania by changing the audit and warrant procedures for the disbursement of money from the State Treasury and conferring powers and imposing duties on certain officers in connection therewith.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section 306, act of April 9, 1929 (P.L.343), known as "The Fiscal Code," is amended to read:

Section 306. *Examination and Audit of Requisitions and Adjustment of Claims.*—The Treasury Department shall *examine and audit requisitions for money prior to disbursement thereof, as hereinafter in this act provided, and the Treasury Department shall* cooperate with the Department of Auditor General [*in the examination and audit of requisitions for disbursements, and*] in the examination and adjustment of claims against the Commonwealth, [*as hereinafter in this act provided.*] *as now provided by law.*

Section 2. Section 307 of the act, amended July 2, 1953 (P.L.352), is amended to read:

Section 307. *Audits of and Warrants for Disbursements.*—*The Treasury Department shall carefully audit and examine all requisitions calling upon the State Treasurer to draw his warrant for the payment of any money out of any fund of the State Treasury, and warrants shall be drawn by the State Treasurer, only after his approval of the requisition.*

No money shall be paid from any of the funds of the State Treasury, except upon warrant of the [**Auditor General**] *State Treasurer*, issued upon requisition pursuant to law except (1) moneys in the State Workmen's

Insurance Fund, which may be disbursed by check of the State Treasurer upon requisition of the Secretary of Labor and Industry and (2) moneys in the Surplus Commodities Stamp Fund which may be disbursed by check of the State Treasurer upon requisition of the Secretary of Public Assistance.

Section 3. The first paragraph of section 402 of the act, amended May 31, 1957 (P.L.237), is amended to read:

Section 402. Audits of Affairs of Departments, Boards and Commissions.—**[It]** *Except as may otherwise be provided by law* it shall be the duty of the Department of the Auditor General to make all audits *of transactions after their occurrence*, which may be necessary, in connection with the administration of the financial affairs of the government of this Commonwealth, with the exception of those of the Department of the Auditor General. It shall be the duty of the Governor to cause *such* audits to be made of the affairs of the Department of the Auditor General.

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Section 4. Section 404 of the act is amended to read:

Section 404. **[Audits of and Warrants for Disbursements.—The Department of the Auditor General shall carefully audit and examine all requisitions calling upon the Auditor General to draw his warrant upon the State Treasurer for the payment of any money out of any fund of the State Treasury, and warrants shall be drawn by the Auditor General, only after approval of the requisition by the State Treasurer or the Governor, as hereinafter provided.]** *Officers Responsible for Audits.—No officer of this Commonwealth charged with the function of auditing transactions after their occurrence shall approve the same transactions prior to their occurrence. Notwithstanding any provision of any law to the contrary, from and after the effective date of this act, the Auditor General shall not be required or empowered to pre-approve or pre-audit any transaction with respect to which said officer is empowered or required to conduct an audit after the transaction has occurred.*

Section 5. Section 1501 of the act, amended August 21, 1953 (P.L.1331), is amended to read:

Section 1501. Requisitions.—No money shall be paid out of any fund in the State Treasury, except (1) the State Workmen's Insurance Fund, and except (2) the Surplus Commodities Stamp Fund, until a requisition therefor shall have been presented to or prepared by the **[Auditor General]** *State Treasurer.*

For money appropriated to the Governor or to the Executive Board, the Governor shall prepare requisitions and present them to the **[Department of the Auditor General]** *Treasury Department.*

For money appropriated to the Lieutenant Governor he shall prepare requisitions and present them to the **[Department of the Auditor General]** *Treasury Department.*

For money appropriated to administrative departments, or to independent administrative boards or commissions, the respective departments, boards, or commissions, shall prepare their requisitions, with the written approval of their respective *department heads and departmental* comptrollers noted thereon, and present them to the **[Department of the Auditor General] Treasury Department**.

For money appropriated to departmental administrative boards or commissions, or advisory boards or commissions, such boards or commissions shall prepare requisitions, and forward them to the departments with which they are respectively connected. Such departments, if they approve the requisitions, shall so signify in writing, and shall transmit them to the **[Department of the Auditor General] Treasury Department**. No requisition of a departmental administrative board or commission, or of an advisory board or commission, shall be valid without the approval in writing of the head and the comptroller of the department with which such board or commission is connected.

For money appropriated to a person, association, corporation, or agency, not a part of the executive branch of the State Government, the person, association, corporation, or agency, to whom or to which the appropriation was made, shall prepare requisitions and present them to the **[Department of the Auditor General] Treasury Department**, but whenever, in any such case, any other act of Assembly requires the requisition to be approved by an administrative department of the State Government, other than the **[Department of the Auditor General] Treasury Department**, it shall be forwarded to the **[Department of the Auditor General] Treasury Department** through such other administrative department.

For money appropriated for a purpose, without designation of the expending agency, the **[Department of the Auditor General] Treasury Department** shall prepare requisitions.

Section 6. Section 1502 of the act is amended to read:

Section 1502. Audit of Requisitions and Issuance of Warrants.—All requisitions shall be audited by the **[Department of the Auditor General] Treasury Department**, and, if they appear to be lawful and correct, **[the department shall approve them and transmit them to the Treasury Department for examination and approval] the State Treasurer shall issue his warrant for the payment thereof**. Otherwise, they shall be returned to the source from which they came for revision, correction, or cancellation.

[If the Treasury Department shall approve a requisition, which has been approved by the Department of the Auditor General, it shall note its approval thereon in writing and return the same to the Department of the Auditor General. Thereupon the Auditor General shall draw his warrant upon the State Treasurer for the payment of the amount in which the requisition has been approved.

If on the other hand, the Treasury Department shall disapprove such requisition, in whole or in part, it shall note its disapproval in writing, together

with its reasons for disapproval, and shall return the requisition to the Department of the Auditor General, and thereupon the Department of the Auditor General shall reconsider its approval.

If the Treasury Department shall have entirely disapproved of the requisition, and, upon reconsideration, the Department of the Auditor General shall agree with such action, the requisition shall be returned to the source from which it came, together with a written statement from the Department of the Auditor General explaining why the requisition has been disapproved.

If the Treasury Department has approved a requisition in part only, and, upon reconsideration, the Department of the Auditor General shall agree with the Treasury Department that the requisition should be approved in part only, it shall modify its prior approval of the requisition, and the Auditor General shall issue his warrant on the State Treasurer for the amount in which both departments have approved the requisition.

If the Department of the Auditor General, upon reconsideration, shall be unable to agree with the views of the Treasury Department, it shall lay before the Governor the requisition, together with all the papers and correspondence attached or appertaining thereto, and the Governor shall decide the issue raised between the two departments. Should the Governor determine that the requisition ought to be approved in whole or in part, it shall be the duty of the Auditor General to issue his warrant in accordance with the directions of the Governor. Should the Governor determine that the requisition ought to be disapproved, the Department of the Auditor General shall, upon receiving it from the Governor, return it to the source from which it came, with a written statement of the reasons for which it was disapproved.]

Section 7. Subsection (b) of section 1503 of the act, added June 6, 1939 (P.L.261), is amended to read:

Section 1503. Payments.— * * *

(b) All payments out of the several funds in the State Treasury appropriated for public assistance shall be made by check of a form prescribed and furnished by the Treasury Department, but filled in as to name of payee and amount by the Department of Public Assistance. As soon after the effective date of this act as practicable but not later than sixty (60) days after such date, the Department of Public Assistance shall requisition the Treasury Department for supplies of serially numbered blank checks upon which to prepare disbursements for public assistance grants, and shall give its receipt to the Treasury Department for such blank checks, provided the Department of Public Assistance shall thereupon enter the name and address of the payee and the amount of payment and such other information as shall be necessary, after which it shall prepare a requisition on the [Auditor General] *State Treasurer* in the total amount of such checks, and [the Auditor General shall issue his warrant on the Treasury Department in the same total amount. Upon receipt of this warrant,] the Treasury Department shall *issue its warrant in the total amount thereof, and shall sign and mail* the checks to the payees designated thereon. This procedure shall be followed in Harrisburg and at such points outside the City of Harrisburg as the Governor shall determine.

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Section 8. Section 1504 of the act, amended June 28, 1947 (P.L.1006), is amended to read:

Section 1504. Advances Out of Appropriations.—Whenever an appropriation shall have been made to any department, board, or commission of the State government, or to the board of trustees or other agency in charge of any semi-State institution, which is intended for expenses of such a nature as to make it impracticable for such department, board, commission, board of trustees, or agency, to file with the **[Department of the Auditor General]** *Treasury Department* itemized receipts or vouchers prior to the payment of such expenses, upon requisition and warrant in the usual way, such department, board, commission, board of trustees, or other agency, may make requisition upon the **[Auditor General]** *State Treasurer* from time to time, for such sum or sums of the appropriation as may be necessary to meet such expenses, and the **[Auditor General]** *State Treasurer* shall draw his warrant **[upon the State Treasurer]** for such sum or sums, to be paid out of the appropriation. The total amount of requisitions for advancements from any appropriation less the total amount of properly itemized receipts or vouchers filed with the **[Auditor General]** *State Treasurer* accounting for such advancements shall never exceed an amount approved by the Governor nor shall it in any case exceed the amount of the bond of the officers or individual having control of the disbursements from the funds advanced.

Requisitions for advances hereunder to any departmental administrative board or commission, must be approved by the *head and by the comptroller of the* department with which such board or commission is connected prior to the presentation thereof to the **[Auditor General]** *State Treasurer*.

Any department, board, commission, board of trustees, or agency, having received an advance hereunder shall,

(1) Whenever required by the **[Auditor General]** *State Treasurer* file specifically itemized vouchers, in such form as may be prescribed by him, accounting for all money expended out of such advance;

(2) At the end of the appropriation period, return to the State Treasury all unexpended balances of such advance, before any advance shall be made out of any succeeding appropriation or requisition, the **[Auditor General]** *State Treasurer* to credit the expiring appropriation, and charge the new appropriation with the exact amount of cash on hand at end of the period: Provided, That advances to local county boards of assistance under the Public Assistance Law for reasonable emergency funds may be made before unexpended balances of advancements out of any previous appropriation are actually returned by such boards to the State Treasury;

(3) Deposit all moneys advanced, in the name of the Commonwealth,

in a State depository *approved by the Board of Finance and Revenue*, and certify the name thereof to the State Treasurer.

Section 9. This act shall take effect July 1, 1970.

APPROVED—The 18th day of March, A. D. 1971.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 4.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive, flowing style with a large initial "C" and "M".

Secretary of the Commonwealth.