

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 458
Second Edition Engrossed 4/24/91

Short Title: Controller Technical Changes.

(Public)

Sponsors: Senator Sherron.

Referred to: State Personnel and State Government.

April 1, 1991

1 A BILL TO BE ENTITLED
2 AN ACT MAKING TECHNICAL CHANGES TO THE LAWS ADMINISTERED BY
3 THE OFFICE OF THE STATE CONTROLLER AND TO REPEAL OBSOLETE
4 LAWS.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 115C-275 reads as rewritten:

7 "**§ 115C-275. Vacancies in office of superintendent.**

8 In case of vacancy by death, resignation, or otherwise, in the office of a
9 superintendent, such vacancy shall be filled by the local board of education in which
10 such vacancy occurred. If the vacancy is filled on a temporary basis, subject to the same
11 approvals and to the same educational qualifications as provided for superintendents,
12 the individual appointed to fill the vacancy on a temporary basis shall be paid the salary
13 provided for superintendents. During the time any superintendent is on an approved
14 leave of absence, without pay, an acting superintendent may be appointed in the same
15 manner to serve during the interim period, which appointment shall be subject to the
16 same approvals and to the same educational qualifications as provided for
17 superintendents. In case such position is not filled immediately on a permanent or
18 temporary basis, or in case of absence of a superintendent on account of illness or other
19 approved reason, the board of education, by resolution duly adopted and recorded in the
20 minutes of such board, may assign to an employee of such school board, with the
21 approval of the Superintendent of Public Instruction, any duty or duties of such
22 superintendent which necessity requires be performed during such time: ~~Provided, that if~~
23 time. If the superintendent's duty of signing warrants and checks is so assigned, said the

1 board shall give proper notice immediately to the State Controller and to the appropriate
2 local disbursing officials-official."

3 Sec. 2. Article 3 of Chapter 116 of the General Statutes is repealed.

4 Sec. 3. G.S. 138-1 reads as rewritten:

5 **"§ 138-1. Annual salaries payable ~~monthly~~-at periodic intervals.**

6 All annual salaries shall be paid ~~monthly~~ except employees of the institutions of the
7 Department of Human Resources may be paid biweekly effective July 1, 1974. at least
8 monthly and may be paid twice a month, every two weeks, or weekly. A unit of State
9 government whose payroll is processed through the central payroll disbursing account
10 of the Office of the State Controller must obtain the approval of the State Controller to
11 pay annual salaries on any basis other than a monthly basis."

12 Sec. 4. G.S. 138-4 reads as rewritten:

13 **"§ 138-4. Governor to set salaries of administrative officers; exceptions; longevity**
14 **pay.**

15 The salaries of all State administrative officers not subject to the State Personnel Act
16 shall be ~~payable in equal monthly installments, and if no provision is otherwise made by law,~~
17 ~~shall be set by the Governor-Governor, unless a law provides otherwise.~~

18 Whenever by law it is provided that a salary shall be fixed or set by the General
19 Assembly in the Current Operations Appropriations Act, and that office or position is
20 filled by appointment of the Governor, or the appointment is subject to the approval of
21 the Governor, or is made by a commission a majority of whose members are appointed
22 by the Governor, then the Governor may, increase or decrease the salary of a new
23 appointee by a maximum of ten percent (10%) over or under the salary of that position
24 as provided in the Current Operations Appropriations Act, such increased or decreased
25 salary to remain in effect until changed by the General Assembly or until the end of the
26 fiscal year, whichever occurs first. The Governor under this paragraph may not increase
27 the salary of any nonelected official above the level set in the Current Operations
28 Appropriations Act for any member of the Council of State. This section does not apply
29 to any office filled by election by the people, and does not apply to any office in the
30 legislative or judicial branches.

31 Prior to taking any action under this section, the Governor may consult with the
32 Advisory Budget Commission.

33 Officials whose salaries are covered by the provisions of this section shall be eligible
34 for longevity pay on the same basis as is provided to employees of the State who are
35 subject to the State Personnel Act."

36 Sec. 5. G.S. 143-3.2(a) reads as rewritten:

37 "(a) The State Controller shall have the exclusive responsibility for the issuance of
38 all warrants for the payment of money upon the State Treasurer. All warrants upon the
39 State Treasurer shall be signed by the State Controller, who before issuing them shall
40 determine the legality of payment and the correctness of the accounts.

41 When the State Controller finds it expedient to do so because of a State agency's size
42 and location, the State Controller may authorize a State agency to make expenditures
43 through a disbursing account with the State Treasurer. The State Controller shall
44 authorize the Judicial Department and the General Assembly to make expenditures

1 through such disbursing accounts. All deposits in these disbursing accounts shall be by
2 the State Controller's warrant. A copy of each voucher making withdrawals from these
3 disbursing accounts and any supporting data required by the State Controller shall be
4 forwarded to the Office of the State Controller monthly or as otherwise required by the
5 State Controller. Supporting data for a voucher making a withdrawal from one of these
6 disbursing accounts to meet a payroll shall include the amount of the payroll and the
7 employees whose compensation is part of the payroll.

8 A central payroll unit operating under the Office of the State Controller may make
9 deposits and withdrawals directly to and from a disbursing account. The disbursing
10 account shall constitute a revolving fund for servicing payrolls passed through the
11 central payroll unit.

12 The State Controller may use a facsimile signature machine in affixing his signature
13 to warrants."

14 Sec. 6. G.S. 143-11 reads as rewritten:

15 "**§ 143-11. Survey of departments.**

16 On or before the fifteenth day of December, biennially in the even-numbered years,
17 the Director shall make a complete, careful survey of the operation and management of
18 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and
19 agencies and undertakings of the State and all persons or corporations who use or
20 expend ~~funds as hereinbefore defined, State funds,~~ in the interest of economy and
21 efficiency, and of obtaining a working knowledge upon which to base recommendations
22 to the General Assembly as to appropriations for maintenance and special funds and
23 capital expenditures for the succeeding biennium. If the Director and the Commission
24 shall agree in their recommendations for the budget for the next biennial period, he shall
25 prepare their report in the form of a proposed budget, together with such comment and
26 recommendations as they may deem proper to make. If the Director and Commission
27 shall not agree in substantial particulars, the Director shall prepare the proposed budget
28 based on his own conclusions and judgment, and the Commission or any of its members
29 retain the right to submit separately to the General Assembly such statement of
30 disagreement and the particulars thereof as representing their views. The budget report
31 shall contain a complete and itemized plan of all proposed expenditures for each State
32 department, bureau, board, division, institution, commission, State agency or
33 undertaking, person or corporation who ~~receive~~ receives or may receive for use and
34 expenditure any State ~~funds as hereinbefore defined, funds,~~ in accordance with the
35 classification adopted by the State Controller, and of the estimated revenues and
36 borrowings for each year in the ensuing biennial period beginning with the first day of
37 July thereafter. Opposite each item of the proposed expenditures, the budget shall show
38 in separate parallel columns the amount expended for the last preceding appropriation
39 year, for the current appropriation year, and the increase or decrease. The budget shall
40 clearly differentiate between general fund expenditures for operating and maintenance,
41 special fund expenditures for any purpose, and proposed capital outlays.

42 The Director shall accompany the budget with:

- 43 (1) A budget message supporting his recommendations and outlining a
44 financial policy and program for the ensuing biennium. The message

1 will include an explanation of increase or decrease over past
 2 expenditures, a discussion of proposed changes in existing revenue
 3 laws and proposed bond issues, their purpose, the amount, rate of
 4 interest, term, the requirements to be attached to their issuance and the
 5 effect such issues will have upon the redemption and annual interest
 6 charges of the State debt.

7 (2) State Controller reports including:

8 a. An itemized and complete financial statement for the State at
 9 the close of the last preceding fiscal year ending June 30.

10 b. A statement of special funds.

11 (3) ~~e-~~A statement showing the itemized estimates of the condition of the
 12 State treasury as of the beginning and end of each of the next two
 13 appropriation years.

14 ~~(3)~~(4) A report on the fees charged by each State department, bureau,
 15 division, board, commission, institution, and agency during the
 16 previous fiscal year, the statutory or regulatory authority for each fee,
 17 the amount of the fee, when the amount of the fee was last changed,
 18 the number of times the fee was collected during the prior fiscal year,
 19 and the total receipts from the fee during the prior fiscal year.

20 It shall be a compliance with this section by each incoming Governor, at the first
 21 session of the General Assembly in his term, to submit the budget report with the
 22 message of the outgoing Governor, if he shall deem it proper to prepare such message,
 23 together with any comments or recommendations thereon that he may see fit to make,
 24 either at the time of the submission of the said report to the General Assembly, or at
 25 such other time, or times, as he may elect and fix.

26 The function of the Advisory Budget Commission under this section applies only if
 27 the Director of the Budget consults with the Commission in preparation of the budget."

28 Sec. 7. G.S. 143-34.1 reads as rewritten:

29 "**§ 143-34.1. Payrolls submitted to the Director of the Budget; approval of**
 30 **payment of vouchers; payment of required employer salary benefits,**
 31 **disability salary continuation and Social Security; support of hospital**
 32 **and medical insurance programs for retired members of certain**
 33 **associations, organizations, boards, etc.; dependent care assistance**
 34 **program. Positions included in the State's payroll must be approved by**
 35 **the Director of Budget; payment of benefits and other salary-related**
 36 **items must be made from same source as salary; dependent care**
 37 **assistance program authorized; flexible compensation benefits**
 38 **authorized.**

39 (a) ~~All payrolls of all departments, institutions, and agencies of the State~~
 40 ~~government shall, prior to the issuance of vouchers in payment therefor, be submitted to~~
 41 ~~the Director of the Budget, who shall check the same against the appropriations to such~~
 42 ~~departments, institutions and agencies for such purposes, and if found to be within said~~
 43 ~~appropriations, he shall approve the same and return one to the department, institution~~
 44 ~~or agency submitting same and transmit one copy to the State Controller, and no~~

1 ~~voucher in payment of said payroll or any item thereon shall be honored or paid except~~
2 ~~and to the extent that the same has been approved by the Director of the Budget. Before~~
3 ~~a department, institution, or other agency of State government establishes a new~~
4 ~~position or changes the funding of an existing position, the agency must submit the~~
5 ~~proposed action to the Director for approval. The Director shall review the proposed~~
6 ~~action to ensure that it is within the amount appropriated to the agency. If the Director~~
7 ~~approves the action, the Director shall notify the agency and the State Controller of the~~
8 ~~approval. The State Controller may not honor a voucher in payment of a payroll that~~
9 ~~includes a new position or a change in an existing position that has not been approved~~
10 ~~by the Director.~~

11 (b) Required employer salary-related contributions for retirement benefits, death
12 benefits, disability salary continuation and Social Security for employees whose salaries
13 are paid from general fund or highway fund revenues, or from department, office,
14 institutional or agency receipts, or from nonstate funds, shall be paid from the same
15 source as the source of the employees' salaries. In those instances in which an
16 employee's salary is paid in part from the general fund, or the highway fund, and in part
17 from the department, office, institutional or agency receipts, or from nonstate funds, the
18 required salary-related contributions shall be paid from the general fund, or the highway
19 fund, only to the extent of the proportionate part paid from the general fund, or highway
20 fund, in support of the salary of such employee, and the remainder of the employer's
21 contribution requirements shall be paid from the same source which supplies the
22 remainder of such employee's salary. The requirements of this section as to the source
23 of payment are also applicable to payments on behalf of the employee for hospital-
24 medical insurance, longevity payments, salary increments, and legislative salary
25 increases. The State Controller shall approve the method of payment by State
26 departments, offices, institutions and agencies for employer salary-related requirements
27 of this section, and determine the applicability of the section to an employer's salary-
28 related contribution or payment in behalf of an employee.

29 (c) The Director of the Budget is authorized to provide eligible officers and
30 employees of State departments, institutions, and agencies not covered by the provisions
31 of G.S. 116-17.2 a program of dependent care assistance as available under Section 129
32 and related sections of the Internal Revenue Code of 1986, as amended. The Director of
33 the Budget may authorize State departments, institutions, and agencies to enter into
34 annual agreements with employees who elect to participate in the program to provide
35 for a reduction in salary. Should the Director decide to contract with a third party to
36 administer the terms and conditions of a program of dependent care assistance, he may
37 select a contractor only upon a thorough and completely competitive procurement
38 process.

39 (d) Notwithstanding any other provisions of law relating to the salaries of
40 officers and employees of departments, institutions, and agencies of State government,
41 the Director of the Budget is authorized to provide a plan of flexible compensation to
42 eligible officers and employees of State departments, institutions, and agencies not
43 covered by the provisions of G.S. 116-17.2 for benefits available under Section 125 and
44 related sections of the Internal Revenue Code of 1986 as amended. This plan shall not

1 include those benefits provided to employees and officers under Article 1A of Chapter
2 120 of the General Statutes and Articles 1, 3, 4, and 6 of Chapter 135 of the General
3 Statutes nor any vacation leave, sick leave, or any other leave that may be carried
4 forward from year to year by employees as a form of deferred compensation. In
5 providing a plan of flexible compensation, the Director of the Budget may authorize
6 State departments, institutions, and agencies to enter into agreements with their
7 employees for reductions in the salaries of employees electing to participate in the plan
8 of flexible compensation provided by this section. Should the Director of the Budget
9 decide to contract with a third party to administer the terms and conditions of a plan of
10 flexible compensation as provided by this section, it may select such a contractor only
11 upon a thorough and completely advertised competitive procurement process."

12 Sec. 8. G.S. 143-47.7(a) reads as rewritten:

13 "(a) Within 60 days after acceptance of appointment by a person appointed to
14 public office, the appointing authority shall file written notice of such appointment with
15 the Governor, the Secretary of State, the State Legislative Library, the State Library and
16 the State Disbursing Officer. Library, and the State Controller. For the purposes of this
17 section, a copy of the letter from the appointing authority or a copy of the properly
18 executed Commission of Appointment shall be sufficient to be filed if such copy
19 contains the information required in subsection (b) of this section."

20 Sec. 9. G.S. 143-340(25) is repealed.

21 Sec. 10. G.S. 143-341(8)j reads as rewritten:

22 **"§ 143-341. Powers and duties of Department.**

23 j. To establish and operate ~~a central telephone system,~~ central
24 mimeographing and duplicating services, central stenographical
25 and clerical pools, and other central services, if the Governor
26 after appropriate investigation deems it advisable from the
27 standpoint of efficiency and economy in operation to establish
28 any or all such services. The Secretary may allocate and charge
29 against the respective agencies their proportionate part of the
30 cost of maintenance and operation of the central services which
31 are established, in accordance with the rules adopted by him
32 and approved by the Governor and Council of State pursuant to
33 paragraph k, below. Upon the establishment of central
34 mimeographing and duplicating services, the Secretary may,
35 with the approval of the Governor, require any State agency to
36 be served by those central services to transfer to the Department
37 ownership, custody, and control of any or all mimeographing
38 and duplicating equipment and supplies within the ownership,
39 custody, or control of such agency."

40 Sec. 11. G.S. 143B-368(b) is repealed.

41 Sec. 12. G.S. 143B-370 is repealed.

42 Sec. 13. G.S. 143B-426.35 reads as rewritten:

43 **"§ 143B-426.35. Definitions.**

44 As used in this Part, unless the context clearly indicates otherwise:

- 1 (1) 'Accounting system' means the total structure of records and
2 procedures which discover, record, classify, and report information on
3 the financial position and operating results of a governmental unit or
4 any of its funds, balanced account groups, and organizational
5 components.
6 (2) 'Office' means the Office of the State Controller.
7 (3) 'State agency' means any State agency as defined in G.S. 147-
8 ~~64.4(b)(2)~~-147-64.4(4).
9 (4) 'State funds' means any moneys appropriated by the General
10 Assembly, or moneys collected by or for the State, or any agency of
11 the State, pursuant to the authority granted in any State laws."

12 Sec. 14. G.S. 143B-426.39 reads as rewritten:

13 **"§ 143B-426.39. Powers and duties of the State Controller.**

14 The State Controller shall:

- 15 (1) Prescribe, develop, operate, and maintain in accordance with generally
16 accepted principles of governmental accounting, a uniform State
17 accounting system for all State agencies. The system shall be designed
18 to assure compliance with all legal and constitutional requirements
19 including those associated with the receipt and expenditure of, and the
20 accountability for public funds.
21 (2) On the recommendation of the State Auditor, prescribe and supervise
22 the installation of any changes in the accounting systems of an agency
23 that, in the judgement of the State Controller, are necessary to secure
24 and maintain internal control and facilitate the recording of accounting
25 data for the purpose of preparing reliable and meaningful statements
26 and reports. The State Controller shall be responsible for seeing that a
27 new system is designed to accumulate information required for the
28 preparation of budget reports and other financial reports.
29 (3) Maintain complete, accurate and current financial records that set out
30 all revenues, charges against funds, fund and appropriation balances,
31 interfund transfers, outstanding vouchers, and encumbrances for all
32 State funds and other public funds including trust funds and
33 institutional funds available to, encumbered, or expended by each State
34 agency, in a manner consistent with the uniform State accounting
35 system.
36 (4) Prescribe the uniform classifications of accounts to be used by all State
37 agencies including receipts, expenditures, assets, liabilities, fund types,
38 organization codes, and purposes. The State Controller shall also, after
39 consultation with the Office of State Budget and Management,
40 prescribe a form for the periodic reporting of financial accounts,
41 transactions, and other matters that is compatible with systems and
42 reports required by the State Controller under this section. Additional
43 records, accounts, and accounting systems may be maintained by

- 1 agencies when required for reporting to funding sources provided prior
2 approval is obtained from the State Controller.
- 3 (5) Prescribe the manner in which disbursements of the State agencies
4 shall be made, in accordance with G.S. 143-3.
- 5 (6) Operate a central payroll system, in accordance with G.S. 143-3.2 and
6 143-34.1.
- 7 (7) Keep a record of the appropriations, allotments, expenditures, and
8 revenues of each State agency, in accordance with G.S. 143-20.
- 9 (8) Make appropriate reconciliations with the balances and accounts kept
10 by the State Treasurer.
- 11 (9) Develop, implement, and amend as necessary a uniform statewide cash
12 management plan ~~to carry out the cash management policy~~ for all State
13 agencies in accordance with G.S. 147-86.11.
- 14 (10) Prepare and submit to the Governor, the State Auditor, the State
15 Treasurer, and the Office of State Budget and Management each
16 month, a report summarizing by State agency and appropriation or
17 other fund source, the results of financial transactions. This report shall
18 be in the form that will most clearly and accurately set out the current
19 fiscal condition of the State. The State Controller shall also furnish
20 each State agency a report of its transactions by appropriation or other
21 fund source in a form that will clearly and accurately present the fiscal
22 activities and condition of the appropriation or fund source.
- 23 (11) Prepare and submit to the Governor, the State Auditor, the State
24 Treasurer, and the Office of State Budget and Management, at the end
25 of each quarter, a report on the financial condition and results of
26 operations of the State entity for the period ended. This report shall
27 clearly and accurately present the condition of all State funds and
28 appropriation balances and shall include comments, recommendations,
29 and concerns regarding the fiscal affairs and condition of the State.
- 30 (12) Prepare on or before October 31 of each year, a Comprehensive
31 Annual Financial Report of the preceding fiscal year, in accordance
32 with G.S. 143-20.1.
- 33 (13) Perform additional functions and duties assigned to the State
34 Controller, within the scope and context of the Executive Budget Act,
35 Chapter 143, Article 1 of the General Statutes.
- 36 (14) With respect to ~~the principal State offices and Departments as defined in~~
37 ~~G.S. 143A-11 and G.S. 143B-6, or a division thereof,~~ State agencies,
38 exercise general coordinating authority for all telecommunications
39 matters relating to the internal management and operations of ~~State~~
40 ~~government.~~ these agencies. In discharging that responsibility the State
41 Controller may in cooperation with affected State agency heads, do
42 such of the following things as he deems necessary and advisable:
- 43 a. Provide for the establishment, management, and operation,
44 through either State ownership or commercial ~~leasing~~ leasing, of

1 the following systems and services as they affect the internal
2 management and operation of State ~~government~~ agencies:

- 3 1. Central telephone systems and telephone networks;
- 4 2. Teleprocessing systems;
- 5 3. Teletype and facsimile services;
- 6 4. Satellite services;
- 7 5. Closed-circuit TV systems;
- 8 6. Two-way radio systems;
- 9 7. Microwave systems;
- 10 8. Related systems based on telecommunication
11 technologies.

12 b. ~~Coordinate~~ With the approval of the Information Technology
13 Council, coordinate the development of cost-sharing systems
14 for respective user agencies for their proportionate parts of the
15 cost of maintenance and operation of the systems and services
16 listed in item 'a.' of this subdivision, in accordance with the rules
17 and regulations adopted by the Governor and approved by the
18 Council of State, pursuant to G.S. 143-341(8)k. subdivision.

19 c. Assist in the development of coordinated telecommunications
20 services or systems within and among all State agencies and
21 ~~departments~~, and recommend, where appropriate, cooperative
22 utilization of telecommunication facilities by aggregating users.

23 d. Perform traffic analysis and engineering for all
24 telecommunications services and systems listed in item "a." of
25 this subdivision.

26 e. Pursuant to G.S. 143-49, establish telecommunications
27 specifications and designs so as to promote and support
28 compatibility of the systems within State ~~government~~ agencies.

29 f. Pursuant to G.S. 143-49 and G.S. 143-50, coordinate the review
30 of requests by State agencies for the procurement of
31 telecommunications systems or services.

32 g. Pursuant to G.S. 143-341 and Chapter 146 of the General
33 Statutes, coordinate the review of requests by State agencies for
34 State government property acquisition, disposition, or
35 construction for telecommunications systems requirements.

36 h. Provide a periodic inventory of telecommunications costs,
37 facilities, systems, and personnel within State ~~government~~
38 agencies.

39 i. Promote, coordinate, and assist in the design and engineering of
40 emergency telecommunications systems, including but not
41 limited to the 911 emergency telephone number program,
42 Emergency Medical Services, and other emergency
43 telecommunications services.

- 1 j. Perform frequency coordination and management for State
2 agencies and local governments, including all public safety
3 radio service frequencies, in accordance with the rules and
4 regulations of the Federal Communications Commission or any
5 successor federal agency.
- 6 k. Advise all State agencies ~~and institutions~~ on telecommunications
7 management planning and related matters and provide through
8 the State Personnel Training Center or the State Information
9 Processing Services training to users within State ~~government~~
10 agencies in telecommunications technology and systems.
- 11 l. Assist and coordinate the development of policies and long-
12 range plans, consistent with the protection of citizens' rights to
13 privacy and access to information, for the acquisition and use of
14 telecommunications systems; and base such policies and plans
15 on current information about State telecommunications
16 activities in relation to the full range of emerging technologies.
- 17 m. Work cooperatively with the North Carolina Agency for Public
18 Telecommunications in furthering the purpose of this
19 subdivision.

20 The provisions of this subdivision shall not apply to the ~~Police~~
21 ~~Information Network (P.I.N.)~~ Criminal Information Division of the
22 Department of Justice or to the Judicial Information System in the
23 Judicial Department.

- 24 (15) Provide cities, counties, and other local governmental units with access
25 to a central telecommunications system or service established under
26 subdivision (14) of this section for State agencies. Access shall be
27 provided on the same cost basis that applies to State agencies."

28 Sec. 15. G.S. 147-86.11 reads as rewritten:

29 "**§ 147-86.11. Cash management for the State.**

30 (a) The ~~{State Controller}~~, State Controller, with the advice and assistance of the
31 State Treasurer, the State Budget Officer, and the State Auditor, shall develop,
32 implement and amend as necessary a uniform statewide plan to carry out the cash
33 management policy for all State agencies. The State Auditor shall report annually to the
34 Advisory Budget Commission and the General Assembly on the implementation of the
35 plan as shown in the audits completed during the prior fiscal year. The State Treasurer
36 shall recommend periodically to the General Assembly any implementing legislation
37 necessary or desirable in the furtherance of the State policy. When used in this section,
38 'State agency' means any agency, institution, bureau, board, commission or officer of
39 the State; however, except as provided in G.S. 147-86.12, 147-86.13, and 147-86.14,
40 this Article shall not apply to the agencies, institutions, bureaus, boards, commissions
41 and officers of the General Court of Justice as defined in Article IV of the North
42 Carolina Constitution or to the local school administrative units and community
43 colleges and their officers and employees.

1 (b) The State Auditor pursuant to his authority under G.S. 147-64.6 shall monitor
2 agency compliance with this Article, and make any comments, suggestions, and
3 recommendations he deems advisable to the agencies.

4 (c) The State Treasurer shall publish a quarterly report on all funds in the control
5 or custody of the State Treasurer showing cash balances on hand, investments of cash
6 balances and a comparative analysis of earnings and investment performances.

7 (d) The statewide cash management plan adopted and implemented pursuant to this
8 section shall provide that any net earnings on invested funds, whose beneficial owner is
9 not the State or a local governmental unit, shall be paid to the beneficial owners of the
10 funds. "Net earnings" are the amounts remaining after allowance for the cost of
11 administration, management, and operation of the invested funds.

12 (e) ~~The receipt section of the uniform statewide plan promulgated by the Director of the~~
13 ~~Budget~~ For moneys received or to be received, the statewide cash management plan
14 shall provide at a minimum that:

15 (1) Except as otherwise provided by law, moneys received by employees
16 of State agencies in the normal course of their employment shall be
17 deposited as follows:

18 a. Moneys received in trust for specific beneficiaries for which the
19 employee-custodian has a duty to invest shall be deposited with
20 the State Treasurer under the provisions of G.S. 147-69.3.

21 b. All other moneys received shall be deposited with the State
22 Treasurer pursuant to G.S. 147-77 and G.S. 147- 69.1.

23 (2) Moneys received shall be deposited daily in the form and amounts
24 received, except as otherwise provided by statute;

25 (3) Moneys due to a State agency by another governmental agency or by
26 private persons shall be promptly billed, collected and deposited;

27 (4) Unpaid billings due to a State agency shall be turned over to the
28 Attorney General for collection no more than 90 days after the due
29 date of the billing; and

30 (5) Moneys received in the form of warrants drawn on the State Treasurer
31 shall be deposited by the State agency directly with the State Treasurer
32 and not through the banking system, unless otherwise approved by the
33 State Treasurer.

34 (f) ~~The disbursement section of the statewide plan adopted by the Director of the~~
35 ~~Budget~~ For the disbursement of money, the statewide cash management plan
36 provide at a minimum that:

37 (1) Moneys deposited with the State Treasurer remain on deposit with the
38 State Treasurer until final disbursement to the ultimate payee;

39 (2) The order in which appropriations and other available resources are
40 expended shall be subject to the provisions of G.S. 143-27 regardless
41 of whether the State agency disbursing or expending the moneys is
42 subject to the Executive Budget Act.

43 (3) Federal and other reimbursements of expenditures paid from State
44 funds shall be paid immediately to the source of the State funds.

- 1 (4) Billings to the State for goods received or services rendered shall be
2 paid neither early nor late but on the discount date or the due date to
3 the extent practicable; and
- 4 (5) Disbursement cycles for each agency shall be established to the extent
5 practicable so that the overall efficiency of the warrant disbursement
6 system is maximized while maintaining prompt payment of bills due.
- 7 (g) The interest earnings of the General Fund and Highway Fund shall be
8 maximized to the extent practicable. To this end:
- 9 (1) Interest earnings shall not be allocated to an account by the State
10 Treasurer unless all of the moneys in the account are expressly eligible
11 by law for receiving interest allocations;
- 12 (2) State officers and employees who received moneys in trust or for
13 investment shall be solely responsible for properly segregating such
14 funds for investment in the manner prescribed by law. The officer or
15 employee charged with the responsibility for these moneys shall be
16 under a duty to segregate the funds in a timely manner. No investment
17 income shall be allocated by the State Treasurer to trust or other
18 investment accounts until properly segregated into investment
19 accounts as provided by law and the rules of the State Treasurer.
- 20 (h) The statewide cash management plan shall consider new technologies and
21 procedures whenever the technologies and procedures are economically beneficial to the
22 State as a whole. Where the new technologies and procedures may be implemented
23 without additional legislation, the technologies and procedures shall be implemented in
24 the plan.
- 25 (i) A willful or continued failure of an employee paid from State funds or
26 employed by a State agency to follow ~~this cash management policy and the statewide cash~~
27 ~~management plan adopted by the Director of the Budget~~ is sufficient cause for immediate
28 dismissal of the employee."
- 29 Sec. 16. This act is effective upon ratification.