

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 1035  
Committee Substitute Favorable 6/2/16

Short Title: LGC/Training for Local Gov't Finance Officers.

(Public)

Sponsors:

Referred to:

May 5, 2016

1 A BILL TO BE ENTITLED  
2 AN ACT AUTHORIZING THE LOCAL GOVERNMENT COMMISSION TO REQUIRE  
3 BASIC FINANCIAL TRAINING FOR FINANCE OFFICERS OF CERTAIN LOCAL  
4 GOVERNMENTS AND PUBLIC AUTHORITIES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 159-25 reads as rewritten:

7 "§ 159-25. Duties of finance officer; dual signatures on checks; internal control procedures  
8 subject to Commission regulation.

9 (a) The finance officer shall have the following powers and duties:

- 10 (1) ~~He shall keep~~Keep the accounts of the local government or public authority in  
11 accordance with generally accepted principles of governmental accounting and  
12 the rules and regulations of the Commission.
- 13 (2) ~~He shall disburse~~Disburse all funds of the local government or public authority  
14 in strict compliance with this Chapter, the budget ordinance, and each project  
15 ordinance and shall preaudit obligations and disbursements as required by this  
16 Chapter.
- 17 (3) ~~As often as may be requested by the governing board or the manager, he shall~~  
18 ~~prepare~~Prepare and file with the board a statement of the financial condition of  
19 the local government or public authority, as often as may be requested  
20 by the governing board or the manager.
- 21 (4) ~~He shall receive~~Receive and deposit all moneys accruing to the local  
22 government or public authority, or supervise the receipt and deposit of money  
23 by other duly authorized officers or employees.
- 24 (5) ~~He shall maintain~~Maintain all records concerning the bonded debt and other  
25 obligations of the local government or public authority, determine the amount  
26 of money that will be required for debt service or the payment of other  
27 obligations during each fiscal year, and maintain all sinking funds.
- 28 (6) ~~He shall supervise~~Supervise the investment of idle funds of the local  
29 government or public authority.
- 30 (7) ~~He shall perform~~Perform such other duties as may be assigned to him by law,  
31 by the manager, budget officer, or governing board, or by rules and regulations  
32 of the Commission.
- 33 (8) Attend any training required by the Local Government Commission under this  
34 section.

35 All references in other portions of the General Statutes, local acts, or city charters to county, city,  
36 special district, or public authority accountants, treasurers, or other officials performing any of the



1 duties conferred by this section on the finance officer shall be deemed to refer to the finance  
2 officer.

3 (b) Except as otherwise provided by law, all checks or drafts on an official depository shall  
4 be signed by the finance officer or a properly designated deputy finance officer and countersigned  
5 by another official of the local government or public authority designated for this purpose by the  
6 governing board. If the board makes no other designation, the chairman of the board or chief  
7 executive officer of the local government or public authority shall countersign these checks and  
8 drafts. The governing board of a unit or authority may waive the requirements of this subsection if  
9 the board determines that the internal control procedures of the unit or authority will be  
10 satisfactory in the absence of dual signatures.

11 (c) The Local Government Commission has authority to issue rules and regulations having  
12 the force of law governing procedures for the receipt, deposit, investment, transfer, and  
13 disbursement of money and other assets by units of local government and public authorities, may  
14 inquire into and investigate the internal control procedures of a local government or public  
15 authority, and may require any modifications in internal control procedures which, in the opinion  
16 of the Commission, are necessary or desirable to prevent embezzlements or mishandling of public  
17 moneys.

18 (d) The Local Government Commission has the authority to require any finance officer or  
19 any other employee who performs the duties of a finance officer to participate in training related to  
20 the powers, duties, and responsibilities of the finance officer, if the Commission is exercising its  
21 authority under Article 10 of this Chapter with respect to the employing local government or  
22 public authority or the employing local government or public authority has received a unit letter  
23 from the Commission due to a deficiency in complying with this Chapter. The Commission may  
24 collaborate with the School of Government at the University of North Carolina, the North Carolina  
25 Community College System, and other educational institutions in the State to develop and deliver  
26 the training required by this subsection."

27 **SECTION 2.** G.S. 159-6 is amended by adding a new subsection to read:

28 "(f) The Commission may charge and collect fees for expenses incurred in developing and  
29 delivering the training for finance officers and other employees who perform the duties of a  
30 finance officer under G.S. 159-25."

31 **SECTION 3.** This act is effective when it becomes law.