

LEGISLATIVE BILL 544

Approved by the Governor May 8, 1993

Introduced by Moore, 24

AN ACT relating to the Department of Administrative Services; to amend sections 81-1102 and 81-1111, Reissue Revised Statutes of Nebraska, 1943, and section 81-1107, Revised Statutes Supplement, 1992; to define a term; to provide duties relating to long-term financing for the state; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 81-1102, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1102. ~~As used in~~ For purposes of this act, unless the context otherwise requires:

(1) Gender with reference to the masculine or feminine gender shall be construed to apply to either or both genders;

(2) Executive budget shall mean the budget proposed by the Governor to the Legislature as the basis of appropriations for the operation of and capital outlay by state government during the period covered by such budget;

(3) Approved budget shall mean the executive or Governor's budget as modified by appropriations actions of the Legislature;

(4) Budgetary allotments shall mean the plan of expenditures, by program, subprogram, activity, or object of expenditure under the approved budget for monthly or other applicable periods of time within each fiscal year, to which a department or agency may be held during such period of time within the fiscal year;

(5) Accrual system shall mean the recording of revenue when earned and the recording of expenditures as soon as they result in liabilities, notwithstanding the fact that the receipt of the revenue or payment of the expenditure may take place, in whole or in part, in another accounting period;

(6) Double entry system shall mean a system of bookkeeping which requires for every entry made to the debit side of an account or accounts an entry for a corresponding amount or amounts to the credit side of another account or accounts resulting in a self-balancing accounting system;

(7) Disbursement shall mean payment from the state treasury;

(8) Expenditure shall mean, when an accrual system has been established, total liability incurred by contract, purchase order, or payroll commitments or as otherwise provided by law, whether or not

related disbursement has been made from the state treasury, and shall mean, until an accrual system has been established, disbursements from the state treasury;

(9) Revenue shall mean, when an accrual system has been established, additions to assets which do not increase any liability or represent the recovery of an expenditure or disbursement or any part thereof or the cancellation of liabilities without a corresponding increase in other liabilities or a decrease in assets. Until an accrual system has been established, this term shall mean additions to cash in the state treasury or for deposit in the state treasury only;

(10) Receipts shall mean cash received, unless otherwise qualified;

(11) Budgetary accounting shall mean a system of accounts designed to reflect budget operations and conditions such as estimated revenue, appropriations, and encumbrances as distinct from proprietary accounts designed to show the status of the assets, liabilities, and surplus of the state and its departments and agencies;

(12) Encumbrances shall mean charges to appropriation accounts to reflect obligations for which a part of the appropriation is reserved and which shall cease to be encumbrances when paid or when an actual liability is established in a proprietary account;

(13) Financing agreement shall mean any bond, lease-purchase obligation, installment sales contract, or similar financial arrangement, for a period greater than one year, which is entered into by the state or any agency, board, or commission thereof, not including the University of Nebraska or state colleges, in accordance with the Constitution of Nebraska and statutes of this state;

~~(13)~~ (14) Proprietary account shall mean those accounts designed to show actual financial position and operations such as actual assets, liabilities, revenue, surplus, revenue, and expenditures, as distinguished from budgetary accounts;

~~(14)~~ (15) Program shall mean a major operation of the state government directed toward the achievement of a definite legal objective and which, in most instances, could be carried on independently of other major operations of the state as defined and described in the accounting and budgeting manuals on file in the office of the Director of Administrative Services;

~~(15)~~ (16) Subprogram shall mean one or more operations of a department or agency of the state designed jointly to accomplish a major program objective as defined in the accounting and budgeting manuals on file in the office of the Director of Administrative Services;

~~(16)~~ (17) Activity shall mean one or more operations of a department or agency of the state designed jointly to accomplish the objective of a subprogram to which it is related as defined in the accounting and budgeting manual on file in the office of the Director of Administrative Services;

~~(17)~~ (18) Staffing pattern shall mean the number of

positions in each class and the specific classes of positions as may be authorized for each department or agency for such department or agency programs, subprograms, and activities;

~~(18)~~ (19) Approved project shall mean any acquisition of land or buildings, any construction or major remodeling of new or newly acquired buildings or structures or of existing state-owned buildings or structures, excluding state highways or state roads or aeronautical projects, or any additions to buildings or structures of land owned by the state; or its departments or agencies; for which an appropriation or other act of the Legislature ~~shall make~~ makes provision;

~~(19)~~ (20) Machine time shall mean the hours or fractions thereof of operation of each component of a machine data processing system together with the hours or fractions thereof of machine operator time for each such component devoted to the production of a report or tabulation or the processing of data necessary to such production and shall also include a proportional reflection of the hours or fractions thereof of supervisory time so that all costs of operation of the data processing service division may be reflected in billings to benefiting departments or agencies;

~~(20)~~ (21) Budget request shall mean the complete recitation, on forms prescribed by the budget division and in the manner prescribed by such division, of the operating and construction funds requests of a department or agency for the biennium next following the then-current biennium;

~~(21)~~ (22) Department shall mean the Department of Administrative Services; and

~~(22)~~ (23) Director shall mean the Director of Administrative Services.

Sec. 2. That section 81-1107, Revised Statutes Supplement, 1992, be amended to read as follows:

81-1107. The Director of Administrative Services is hereby vested with the duties, powers, and responsibilities involved in:

(1) The preparation of the executive budget and execution of the approved budget except as otherwise provided by law, including a system of periodic allotments for the management and regulation of expenditures and making surveys and studies for the purpose of improving administrative procedures, methods, and organization;

(2) The keeping of general accounts and the adoption and promulgation of appropriate rules, regulations, and administrative orders designed to assure a uniform and effective system of accounts and accounting, the approval of all vouchers, and the preparation and issuance of warrants for all purposes;

(3) The review and approval of financing agreements for the purposes of protecting the credit of the state, insuring the most advantageous terms, providing for proper accounting of financial transactions, complying with the approved budget, and promoting sound financial management;

~~(4)~~ (4) The operation of such storerooms and

warehouses as may be necessary;

(4) (5) The allotment of space in the State Capitol building and other state office buildings to the various departments and agencies according to their needs and the space available as provided in sections 81-1108.21 and 81-1108.22;

(5) (6) The supervision of telephone, mailing, messenger, duplicating, central data processing, and other like services adaptable to economical and centralized management; and

(6) (7) The planning, review, and preparation of a state capital construction budget.

The director shall adopt a seal. The director may contract with another state agency to furnish centralized mailing, messenger, duplicating, and printing services in the interest of economy and efficiency in government; while retaining ultimate direction and control.

Sec. 3. That section 81-1111, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-1111. Subject to the supervision of the Director of Administrative Services, the Accounting Administrator shall have the authority to prescribe the system of accounts and accounting to be maintained by the state and its departments and agencies, develop necessary accounting policies and procedures, coordinate and approve all proposed financial systems, and manage all accounting matters of the state's central system. There shall be created three separate bureaus to be supervised by the Accounting Administrator: The accounting bureau, the management systems and studies bureau, and the social security administration bureau.

(1) The accounting bureau shall be responsible for the preaudit and control of vouchers and payrolls in order to assure the legality of all transactions, to insure that all vouchers for payment are within the approved budget, and to insure that adequate cash is available for payment. It shall call to the attention of the director all vouchers or payments which seem to it to be in violation of the laws of the state and to the attention of the director and the budget administrator all vouchers for payments which are inconsistent with the approved budget. It shall undertake the writing of all warrants for the department and shall implement in all departments and agencies of state government an effective double entry system of financial and budgetary control accounting for all revenue and expenditures of all departments and agencies of the state, which system shall develop costs by programs, subprograms, activities, or objects of expenditures and shall allow for comparison between budgeted and actual expenditure.

(2) The management systems and studies bureau shall be responsible for systematically reviewing on a regular basis activities of state agencies and departments to determine that adequate internal controls exist within all departments and agencies and to assure that proper accounting methods are employed. This bureau shall receive copies of all audits performed by or for the Auditor of Public Accounts of the financial status and conditions in all state departments and agencies.

This bureau shall be available to consult with all governmental departments and agencies in training their staff and developing efficient work flow within such departments and agencies; and shall provide such departments and agencies with appropriate accounting reports, summaries, and analyses prepared by the accounting division as are necessary to effectively administer these departments and agencies. The bureau shall establish a system for receiving and disbursing funds associated with any financing agreement.

(3) The social security administration bureau shall be responsible for the administration of social security responsibilities of the state. Its duties, powers, and responsibilities; and its staff, equipment, and records shall be subject to the supervision of the Accounting Administrator. The Accounting Administrator shall also be the state social security administrator.

Sec. 4. That original sections 81-1102 and 81-1111, Reissue Revised Statutes of Nebraska, 1943, and section 81-1107, Revised Statutes Supplement, 1992, are repealed.

Sec. 5. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.