

COMMONWEALTH ACCOUNTING



A REPORT OF THE  
JOINT STATE GOVERNMENT COMMISSION  
TO THE  
GENERAL ASSEMBLY  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

SESSION OF 1951

The Joint State Government Commission was created by Act of 1937, July 1, P. L. 2460, as amended 1939, June 26, P. L. 1084; 1943, March 8, P. L. 13, as a continuing agency for the development of facts and recommendations on all phases of government for the use of the General Assembly.

JOINT STATE GOVERNMENT COMMISSION

---

Honorable BAKER ROYER, *Chairman*  
Honorable JOHN M. WALKER, *Vice Chairman*  
Honorable W. STUART HELM, *Secretary-Treasurer*

*Senate Members*

JOSEPH M. BARR  
LEROY E. CHAPMAN  
JOHN H. DENT  
G. GRAYBILL DIEHM \*\*  
ANTHONY J. DiSILVESTRO  
JAMES A. GELTZ  
FREDERICK L. HOMSHER \*  
A. EVANS KEPHART  
JOHN G. SNOWDEN  
O. J. TALLMAN  
M. HARVEY TAYLOR  
PAUL L. WAGNER  
JOHN M. WALKER  
T. NEWELL WOOD

*House Members*

HIRAM G. ANDREWS  
ADAM T. BOWER  
HOMER S. BROWN \*\*\*  
CHARLES H. BRUNNER, JR.  
EDWIN C. EWING  
W. STUART HELM  
EARL E. HEWITT, SR.  
THOMAS H. LEE  
JAMES E. LOVETT \*\*\*\*  
ALBERT S. READINGER  
BAKER ROYER  
CHARLES C. SMITH  
HERBERT P. SORG  
IVAN C. WATKINS

---

GUY W. DAVIS, *Counsel and Director*  
PAUL H. WUELLER, *Associate Director in Charge*  
*of Research and Statistics*  
ANTOINETTE S. GIDDINGS, *Administrative Assistant*

- 
- \* Deceased  
\*\* Appointed to fill the vacancy created by the death of Frederick L. Homsher.  
\*\*\* Resigned.  
\*\*\*\* Appointed to fill the vacancy created by the resignation of Homer S. Brown.

JOINT STATE GOVERNMENT COMMISSION  
SUBCOMMITTEE ON COMMONWEALTH ACCOUNTING PROCEDURES

---

Honorable HENRY J. PROPERT, *Chairman*

Honorable G. GRAYBILL DIEHM, *Vice Chairman*

*Senate Members*

G. GRAYBILL DIEHM

JOHN W. LORD, JR.

MAXWELL S. ROSENFELD

*House Members*

JAMES L. GAFFNEY

ALBERT W. JOHNSON

HENRY J. PROPERT

LOUIS SAX

## LETTER OF TRANSMITTAL

*To the Members of the General Assembly of the Commonwealth of Pennsylvania:*

Herewith is presented the report on the accounting methods used by the departments, agencies, commissions, boards and authorities of the Commonwealth which was directed by House Concurrent Resolution No. 74 of the 1949 Session.

The resolution reads, in part, "The Joint State Government Commission is hereby directed . . . to study and investigate . . . the accounting systems used by the several departments, agencies and commissions of the Commonwealth with a view of developing adequate and uniform accounting systems and complete analyses of the Commonwealth's fiscal condition, including a statement and analysis of assets, exclusive of physical assets and liabilities of the Commonwealth."

Consideration of the magnitude of Commonwealth fiscal operations is essential to an evaluation of the accounting procedures currently used. For the biennium 1949-51, total budgeted expenditures of the Commonwealth, exclusive of federal aid, amounted to \$1,028,080,643. In addition to this budgeted cash outlay, the General Assembly of 1949 made far-reaching financial commitments. The liberalization of the Public School Employes' Retirement System increased the present value of liabilities of the system by approximately one quarter of a billion dollars. A bond issue in a maximum amount of \$500,000,000 was authorized to finance the soldiers' bonus. The General State Authority and the Highway and Bridge Authority were authorized to borrow up to \$175,000,000, and \$40,000,000, respectively. These and other commitments add considerably to the Commonwealth's future obligations.

From this brief outline of the Commonwealth's financial operation, the importance of an integrated, over-all accounting system becomes apparent. Such a system should make it possible for the Governor, the General Assembly, department heads and the public to obtain, on short notice, an up-to-date, realistic picture of the financial position of the Commonwealth.

Cognizant of the dimensions of the task involved in a careful appraisal of existing accounting practices and the development of a modern integrated system of accounts designed to meet the needs of the Commonwealth, the Commission has utilized, in addition to its own staff facilities, the good offices of the Pennsylvania Institute of Certified Public Accountants. The In-

stitute has made available to the Commission, without charge, the services of senior personnel associated with accounting firms of national repute. The contribution of the Institute and its members is appreciated and gratefully acknowledged.

The Commission also acknowledges the cooperation of the Auditor General who conferred with the Commission staff and whose representative accompanied members of the Institute on their initial visits to the various departmental offices.

The technical memoranda prepared by the Commission staff and by consultants made available through the Institute have been sifted and evaluated by a subcommittee created by the Commission under authority of Act of 1943, March 8, P. L. 13, Section 1. On behalf of the Commission the cooperation of the subcommittee is acknowledged.

The Joint State Government Commission's evaluation of existing accounting methods and the measures recommended by the Commission for the creation of an accounting system which would meet the demands of current Commonwealth operations have the endorsement of the Pennsylvania Institute of Certified Public Accountants.

BAKER ROYER, *Chairman*

*Joint State Government Commission  
Capitol Building  
Harrisburg, Pennsylvania*

## TABLE OF CONTENTS

	<i>Page</i>
SUMMARY OF FINDINGS . . . . .	1
SUMMARY OF RECOMMENDATIONS . . . . .	2
SECTION I. Type and Magnitude of Commonwealth Fiscal Operations . . . . .	3
SECTION II. Fiscal Administration of the Commonwealth and Accounting Procedures Used . . . . .	5
SECTION III. Specifications for an Integrated Accounting System . . . . .	9

### APPENDICES

Appendix A. Budgeted Expenditures of the Commonwealth for the Biennium 1949-51 . . . . .	12
Appendix B. Accounting Survey Map . . . . .	13-15
Appendix C. Financial Accountability Flow Charts . . . . .	16-18
Appendix D. Tabular Outline of the Accounting, Budgetary and Auditing Offices in the Forty-eight States, With Selected Functions . . . . .	19-25
Appendix E. Financial Statement Forms . . . . .	26-30
Appendix F. Letter from the Pennsylvania Institute of Certified Public Accountants . . . . .	31-32
Appendix G. Proposed Amendments . . . . .	34
1. Administrative Code . . . . .	35-42
2. Fiscal Code . . . . .	43-52
3. General State Authority Act . . . . .	53
4. State Highway and Bridge Authority Act . . . . .	54
5. Public School Building Authority Act . . . . .	55

COMMONWEALTH ACCOUNTING



## SUMMARY OF FINDINGS

I. In Pennsylvania, responsibility for the over-all management of the Commonwealth's financial affairs is divided among three elective officers - the Governor, the Auditor General and the State Treasurer.

II. Under Section 701 (d) of The Administrative Code, the Governor is directed "to prescribe and require the installation of a uniform system or systems of bookkeeping, accounting, and reporting, for the several administrative departments, boards, and commissions, except for the Department of the Auditor General, the Treasury Department and the Department of Internal Affairs, but, before prescribing and requiring such installation, the Governor shall consult with the Department of the Auditor General," (1929, April 9, P. L. 177).

III. At present, the accounts of the Commonwealth are kept on a cash basis but, by virtue of the use of different codes and conventions, reconciliation of the statements of elected officers is difficult; and adequate appraisal of the financial condition of the Commonwealth is impossible.

IV. Reconciliation difficulties aside, the cash system of accounting not only permits but actually requires the preparation of statements which are at variance with the facts.

V. Under present statutory arrangements, the Auditor General, postaudits all accounts of the Commonwealth, and in addition performs certain preauditing functions; this latter function makes the Auditor General a party to accounting which he subsequently postaudits.

## SUMMARY OF RECOMMENDATIONS

In order to facilitate the preparation of meaningful, reconcilable financial statements for the Commonwealth and to assure critical review of all financial transactions of the Commonwealth, the Commission recommends that:

I. The Commonwealth employ an accrual rather than a cash method of accounting, such method to be prescribed by legislation and its use made mandatory upon all Commonwealth officials including the Governor, the Auditor General, and the State Treasurer.

II. An office of Accountant General be established by legislation, the Accountant General to be of cabinet rank, appointed by the Governor with the advice and consent of the Senate, for the purpose of installing, operating and supervising the legislatively-prescribed system of accounting for the Commonwealth.

III. The postauditing and preauditing functions be separated, and the preauditing function be performed by the Accountant General.

## SECTION I

### TYPE AND MAGNITUDE OF COMMONWEALTH FISCAL OPERATIONS

Total budgeted expenditures of the Commonwealth of Pennsylvania for the biennium 1949-51, exclusive of federal monies, were \$1,028,080,643. Of this total, approximately \$179,531,602 was to be used to finance the operations of the departments and other instrumentalities of the Commonwealth, \$251,520,800 was for grants and subsidies to school districts and \$20,000,000 was for political subdivisions other than school districts. The sum of \$210,500,000 was to be expended for construction and reconstruction of Commonwealth-owned highways, and \$160,000,000 was budgeted for payments to needy citizens.<sup>1</sup>

The scope and volume of the Commonwealth's future operations are substantially extended by three relatively recent developments: credit financed building projects, increases in operating costs, and legislative forward commitments without coverage.

The first type of undertaking, credit-financed building projects, is represented by the activities of the General State Authority and the Highway and Bridge Authority. Both authorities were established by the General Assembly of 1949 and were authorized to borrow to a maximum of \$175,000,000 and \$40,000,000 respectively. In the years to come, today's operations of these authorities will increase the operating expenditures of the Commonwealth departments with whom they do business.

Substantial increases in operating costs are illustrated by increased salaries currently paid to some 40,000 state employes and some 80,000 employes of the public school system who are members of the retirement systems. These salary increases will be further reflected in necessarily increased state appropriations to finance greater retirement and disability allowances.

Legislative forward commitments without coverage are illustrated by the 1949 General Assembly's authorization of a bond issue, not to exceed \$500,000,000, for financing of the soldiers' bonus, by its commitment to increased subsidies for the support of public schools, estimated to exceed, by at least \$15,000,000, appropriations to the Commonwealth's more than 2,500 school districts for the biennium 1949-51, and by the liberalization of the Public School Employes' Retirement System increasing the present value of liabilities by approximately \$250,000,000. These types of legislation pledged the Common-

<sup>1</sup> See Appendix A, *Budgeted Expenditures of the Commonwealth for the Biennium 1949-51*.

wealth to substantial increases in future expenditures, the effect of which was not determined at the time the commitments were made. In order to evaluate such future commitments and their effects on future budgets, it is essential to have a complete analysis of the present financial position of the Commonwealth. Such an analysis can only be made available by the use of a reliable, integrated system of accounting and reporting.

There is a good reason to believe that the requests for cash appropriations that will be made to the General Assembly of 1951 will exceed the requests made in 1949. In addition, the problems of increased allocations to the Retirement Funds, particularly to the Public School Employees' Retirement System, the payment of bond interest and the retirement of principal will have to be faced.

The Commonwealth's financial operations - which include cash outlays for current operating expenses, for personal, intangible and real property, and interdepartmental and interjurisdictional transfers of cash - are of such magnitude and complexity<sup>2</sup> that a modern, integrated system of accounts is essential to analysis and comprehension of the Commonwealth's financial position. The Commonwealth is big business and its fiscal affairs must be conducted accordingly.

---

<sup>2</sup> See Appendix B, Accounting Survey Map

SECTION II  
FISCAL ADMINISTRATION OF THE COMMONWEALTH  
AND ACCOUNTING PROCEDURES USED

The administration of the fiscal affairs of the Commonwealth is the joint responsibility of the Governor, the Auditor General, the State Treasurer and the several department heads.

The Governor, under Sections 602 and 701 (g) of the Administrative Code,<sup>3</sup> is required to submit a budget to the biennial sessions of the General Assembly. Article IV, Sections 15 and 16, of the Constitution of Pennsylvania, authorize him to reduce appropriations after they have been passed by the General Assembly, and Section 701 (h) of the Administrative Code directs him to allocate among the various departments the approved appropriations to the Department of Property and Supplies. In addition, under Section 701 (d) of the Administrative Code, the Governor is directed "to prescribe and require the installation of a uniform system or systems of bookkeeping, accounting, and reporting, for the several administrative departments, boards, and commissions, except for the Department of the Auditor General, the Treasury Department and the Department of Internal Affairs but, before prescribing and requiring such installation, the Governor shall consult with the Department of the Auditor General."

The Auditor General, under Article IV, Sections 401, 402, 403, and 404 of the Fiscal Code,<sup>4</sup> is given extensive preaudit and postaudit responsibilities.

The State Treasurer, under Article III, Sections 301 and 302, of the Fiscal Code, is directed to receive all monies for the Commonwealth and deposit them in approved depositories to the credit of the proper funds. Article III, Section 306, directs the State Treasurer to cooperate with the Auditor General in the examination and audit of requisitions for disbursements. Under Article III, Section 307, the State Treasurer is directed to make disbursements for properly approved requisitions.

The above arrangement is basically defective because it gives three elective officials, - the Governor, the Auditor General and the State Treasurer - overlapping authority.<sup>5</sup> It is axiomatic that meaningful records and reports of

<sup>3</sup> 1929, April 9, P. L. 177, as amended.

<sup>4</sup> 1929, April 9, P. L. 343, as amended.

<sup>5</sup> See Appendix C, Financial Accountability Flow Charts - Present.

financial transactions, as they pass from operating departments to disbursing department to auditing department, can be obtained only under a comprehensive integrated accounting system used by all concerned with the financial operations of the Commonwealth.

Furthermore, since the Fiscal Code directs the Auditor General to pre-audit accounts, he actually participates in administration. This participation results in divided responsibility, and divided responsibility tends to weaken administration.

At the present time, the financial transactions of the Commonwealth are recorded and accounted for on a "cash basis." Within the framework of cash basis accounting, departments, boards, commissions and other agencies use such codifications, accounts and posting procedures as seem adapted to their circumstances. The current system has expanded by uncoordinated accretion over a period of years. No single, central office has been provided to record and report all official financial data, hence the differences in reported results, which arise by virtue of variations in departmental procedure, cannot be reconciled, and no consistent over-all picture of the Commonwealth's fiscal affairs is possible.

The present classification of accounts was originally designed to facilitate the recording of strictly cash receipts and cash disbursements for budgetary purposes. It fails to take cognizance of non-cash assets such as inventories of consumable supplies, subsidies and taxes due and collectible, or of such liabilities as supplies and services received.

The cash basis of accounting provides for the recording of cash as actually received and as actually disbursed, without allocation to the fiscal period to which such receipt or disbursement applies. The cash basis of financial reporting not only permits, but actually requires, the preparation of statements which are at variance with the facts. Financial statements on the cash basis do not permit a realistic appraisal of the financial position of the Commonwealth at any one point in time.

Under the cash system, the apparent financial condition of the Commonwealth depends upon the dispatch with which it collects its debts and pays its bills. It is quite conceivable that the financial situation of the Commonwealth might appear excellent at a given time because it has just collected federal allocations and has not yet made the disbursements chargeable against these allocations. For example, analysis discloses that on May 31, 1945, the Commonwealth had an amount receivable from the federal government for one of the departments of the Commonwealth of \$2,992,000, which did not

appear as an asset upon any financial statement of the Commonwealth. Conversely, on May 31, 1947, the Commonwealth had collected from the federal government a sum of \$593,000 in excess of the amount due, which did not appear as a Commonwealth liability on any financial statement.

Again the cash system permits, not to say encourages, the crediting of receipts to time periods other than those to which they are properly allocable. Detailed examination of the financial records of the Commonwealth discloses that at least once, the amounts involved in improper allocation of receipts to time periods exceeded \$15,000,000.

It should also be noted that the cash system does not provide for the valuation and recording of inventories which may or may not have been paid for. The lack of this information means that budget estimates must be made and appropriations approved without knowledge of the value of liquid assets available at the beginning of the biennium.

In addition to the failure to record financial transactions as they apply to specific periods, the cash system does not provide for the preparation and distribution of meaningful financial reports. The only reports currently available are an annual mimeographed report from the Budget Bureau and a published biennial report of the Auditor General, both based on cash receipts and disbursements. In order to describe adequately the fiscal operations of the Commonwealth, a periodic accumulative statement of revenues and expenditures, prepared on an accrual basis, for each fund, accompanied by a combined statement for all funds, must be prepared. Similarly, a balance sheet for each fund, as well as a combined balance sheet for all funds, should be prepared, showing the over-all financial condition of the Commonwealth at any given date.

The present system, then, if it can be termed a system, is unsatisfactory because:

- (1) Inconsistent methods of accounting are used;
- (2) The cash basis of accounting fails to apply receipts and disbursements to proper fiscal periods;
- (3) Lags in payment of bills or collection of debts result in a distorted picture of the financial position of the Commonwealth, as of a given date;
- (4) The cash basis does not provide for valuation or recording of inventories which represent liquid assets;
- (5) Finally, under the present system, adequate reports for the guidance of the Governor, the General Assembly and the public cannot be produced.

The absence of central control over accounting procedures offers opportunities for manipulation and makes systematic routine discovery of defalcation, if any, impossible.

Industry and many state and municipal governments have recognized the importance of centralized accounting departments which operate on the basis of modern, meaningful accrual concepts. In fact, Pennsylvania is the only state of the six whose annual budgets are in excess of \$500,000,000 which does not have a centralized accounting office.

Clearly, since the offices of the Auditor General and the State Treasurer are primarily concerned with the Commonwealth's fiscal affairs, and these departments are not included in the directive to the Governor to prescribe "a uniform system or systems of bookkeeping, accounting and reporting," it remains for the General Assembly to bridge the gap and take action which will insure the installation and operation of a comprehensive, modern system of accounting.



## SECTION III

### SPECIFICATIONS FOR AN INTEGRATED ACCOUNTING SYSTEM

The Commonwealth of Pennsylvania is a business whose gross annual volume exclusive of federal monies and the gross receipts of such subsidiary businesses as the Liquor Control Board, exceeds \$500,000,000.<sup>6</sup> All Commonwealth monies are channelled through Harrisburg.<sup>7</sup>

Private industry, with a volume of gross receipts comparable to the Commonwealth's, has for many years recognized the necessity for the use of modern, coordinated accounting methods when recording its financial transactions. Government, with its large and still growing volume of receipts and expenditures, has lagged far behind modern business practice. Within the recent past, a number of states have recognized the weaknesses in their accounting procedures and have taken corrective steps.<sup>8</sup>

Effective government administration presupposes a modern, integrated accounting system, operated through a central accounting department. Such a system must provide for each fund and for all funds combined:<sup>9</sup>

1. Accurate periodic and cumulative statements of revenues and expenditures prepared on an accrual basis whenever technically feasible.
2. Comparisons of revenues and expenditures with prior periods.
3. Comparisons of actual performance with budgeted amounts.
4. The summation of operations for each period expressed in terms of excess of revenues over expenditures, or expenditures over revenues.
5. Statements of assets and liabilities as of specified dates.
6. Financial reports, available within thirty days after the end of each fiscal quarter.<sup>10</sup>

---

<sup>6</sup> The budgeted expenditures for the biennium 1949-51 amounted to \$1,028,080,643, or an average of \$514,040,321 annually. For an analysis of these appropriations see Appendix A.

<sup>7</sup> See Appendix B, Accounting Survey Map.

<sup>8</sup> A survey of the accounting procedures and organization used by the forty-eight states shows that twenty-nine states have a centralized accounting office which records all financial data uniformly for all departments. Many of these states record their transactions on a modified accrual basis. Of the six states having budgets exceeding \$500,000,000, only Pennsylvania has so far failed to centralize its accounting procedures. For details, see Appendix D.

<sup>9</sup> Examples of proposed statement forms are shown in Appendix E.

<sup>10</sup> Concerning this point, The Pennsylvania Institute of Certified Public Accountants observes, ". . . if these recommendations are adopted . . . prompt and reliable financial statements adequate for administrative decisions will be available to the Governor and other administrative officers and to the General Assembly, and appropriate reports will be available for publication at least annually to the public." See Appendix F.

To attain the objectives outlined above, it is recommended that:

1. A modern, integrated system of accounts be installed.<sup>11</sup>
2. The use of a prescribed system of accounting by all elective and appointive officers of the Commonwealth be made mandatory.<sup>12</sup>
3. The office of Accountant General, adequately staffed, be established by statute.<sup>13</sup> The functions of such office shall include:
  - a. The formulation and administration of a modern, integrated system of accounting and financial reporting.
  - b. The maintenance of all accounts for all funds on an accrual basis wherever possible.
  - c. The approval of all requisitions for payment of monies out of any fund and the certification of such approvals to the State Treasurer for payment.
  - d. The preparation and presentation of accurate periodic financial reports to the Governor, the General Assembly and the public.
4. The Accountant General to be of cabinet rank, appointed by the Governor, with the advice and consent of the Senate, the first term to end August 31, 1955, and thereafter for a period of four years.

Such a modern, integrated system of accounts, properly installed and operated, will provide each department with a complete statement of its financial operations in a form that will facilitate the preparation of combined statements to determine the over-all financial position of the Commonwealth. The Governor, through the facilities of the Accountant General, will have access to meaningful financial data which is essential in making realistic estimates of future requirements. There will be one authentic and official source of all financial information available to the Governor, the General Assembly and the public.<sup>14</sup>

The proposed amendments to the Administrative and Fiscal Codes, as well as amendments to the General State Authority Act, the State Highway and Bridge Authority Act and the Public School Building Authority Act, which would provide for the installation and operation of a modern, integrated accounting system, will be found in Appendix G.

<sup>11</sup> The Pennsylvania Institute of Certified Public Accountants endorses the installation of such a system for the Commonwealth and observes that "prompt implementation of the recommendations . . . will have far reaching beneficial results." See Appendix F.

<sup>12</sup> Regarding the mandatory use of such a system, the Pennsylvania Institute of Certified Public Accountants suggests, that the officer charged with administration "have the power to require compliance by all departments, offices and officers, whether elective or appointive, with the systems of accounting established . . . and with his administrative decisions relating to the operations of such system." For this reason, the Institute recommends that the administrative officer have the power to institute mandamus proceedings. See Appendix F.

<sup>13</sup> The establishment of the office of Accountant General is endorsed by the Pennsylvania Institute of Certified Public Accountants. See Appendix F.

<sup>14</sup> See Appendix C, Financial Accountability Flow Charts--Recommended.

APPENDICES

## APPENDIX B

### ACCOUNTING SURVEY MAP

The administration of the financial activities of the Commonwealth is centered in Harrisburg where the various agencies account for money received and expended under their respective jurisdictions. From Harrisburg, transactions are conducted with each political subdivision, State-aided and State-owned institution.

The Commonwealth's receipts and expenditures are channelled through fourteen operating funds and twenty-nine custodial funds. Thirty-eight Commonwealth departments, board, commissions and agencies participate in the administration and allocation of the monies.

The accounting for the Commonwealth's financial transactions involving 5,222 political subdivisions and 258 State-owned and/or State-aided institutions presents a complex problem which may be visualized by reference to the map which follows.

The arrows located around the margin of the map indicate six major revenue sources flowing into Harrisburg. Beginning with the arrow in the upper left hand corner and continuing clockwise, the arrows represent the major revenue sources listed below:

<u>Sources</u>	<u>Number of Items</u>
License and Fees	155
Miscellaneous Revenues	119
Fines and Penalties	36
Bonus, Taxes, Penalties and Interest	29
Receipts from the Federal Government	18
Monies Received through Counties	11

The heavy line extending from the tip of each arrow represents the flow of receipts into Harrisburg.

The political subdivisions and institutions which receive monies from Harrisburg are identified by symbols in each county. The key to these symbols is shown on the lower margin of the map.

The lines running from Harrisburg to the dollar signs symbolize the outflow of Commonwealth monies to the counties.

The size of the circle enclosing the dollar symbol indicates the relative dollar amount received within each county for its subdivisions and institutions.

The lines running from the dollar signs identify the recipients of monies from Harrisburg. The number of symbols for designated subdivisions and institutions is identical with the number of recipients in either category.

## APPENDIX C

### FINANCIAL ACCOUNTABILITY FLOW CHARTS

The charts which follow are designed to show the flow of accounting transactions in Pennsylvania. Chart I shows the flow of accounting transactions under existing statutes. Chart II shows the flow of accounting transactions under the proposed amendments. The functions are identified by colored lines.

#### CHART I - PRESENT

Chart I shows the flow of accounting transactions under existing statutes.

Budgeting of Receipts and Expenditures: All budget transactions (requests and allocations) are carried on between the departments, boards and commissions and the Budget Office.

Accounting for Revenues: All receipts are accounted for by the departments, boards and commissions, to the Department of Revenue, which, in turn, accounts to the Department of the Auditor General, which, in turn, accounts to the Treasury Department.

Accounting for Disbursements: Disbursements are accounted for in two ways:

1. Disbursements for materials and supplies and certain other services are accounted for by each department, board and commission to the Department of Property and Supplies, which, in turn, accounts to the Department of the Auditor General, which, in turn, accounts to the Treasury Department.
2. Disbursements for other expenses are accounted for by each department, board and commission to the Department of the Auditor General, which, in turn, accounts to the Treasury Department.

Auditing Financial Accounts: The auditing functions are carried on by the Department of the Auditor General with each department, board and commission.

#### CHART II - RECOMMENDED

Chart II shows the flow of transactions under the proposed amendments.

Budgeting of Receipts and Expenditures: Budget transactions (requests and allocations) would be carried on between the departments, boards, commissions and other agencies and the Accountant General. The Accountant General would then submit requests to and receive allocations from the Budget Bureau.

Accounting for Revenues: All revenues would be accounted for to the Accountant General who would reconcile the actual receipt of cash by the Treasury Department, with the transmittal received from each department, board, commission or other agency.

Accounting for Disbursements: Disbursements would be accounted for by each department, board, commission or agency to the Accountant General, who would then certify approved requisitions to the Treasury Department for payment.

Auditing Financial Accounts: The Department of the Auditor General would audit the records of the Accountant General. The records would constitute the control accounts of all of the financial operations of the Commonwealth, the details of which would be available to the Auditor General in the offices of each department, board and commission.

## APPENDIX D

### A TABULAR OUTLINE OF THE ACCOUNTING, BUDGETARY AND AUDITING OFFICES OF THE FORTY-EIGHT STATES, WITH SELECTED FUNCTIONS

The constitutional and statutory provisions relating to accounting, budgeting and auditing functions in each of the forty-eight states are shown on the following pages.

The following tabular presentation shows, for each state, the office responsible for accounting for and auditing of the financial transactions, means of creation and date of establishment of the office, elective or appointive status of the office, term of tenure and salary.

Whenever one or more of the designated offices are divisions of a larger department, the title of the department is shown in the italic heading.

The states are listed in the descending order of the size of their expenditure appropriations for the fiscal year 1949-50.

The selected functions shown in the tabulation are:

Preauditing - approval of requisitions before payment,

Accounting - recording the financial transactions of the state,

Prescribing and installing systems and methods of bookkeeping and accounting, and

Postauditing - auditing books and accounts of state departments and agencies.



APPENDIX E

PROPOSED STATEMENT FORMS

APPENDIX F

LETTER TO THE JOINT STATE GOVERNMENT COMMISSION  
FROM THE  
PENNSYLVANIA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

OFFICERS

WILLIAM R. WINN, PRESIDENT  
GEORGE A. HEWITT, VICE-PRESIDENT  
JONATHAN O. DICKINSON, SECRETARY  
DAVID P. FRY, JR., TREASURER

ROBERT J. BENNETT, SECRETARY  
1918 - 1950

**Pennsylvania Institute**  
**of Certified Public Accountants**

ORGANIZED 1897

COUNCIL

JOHN S. COWING  
EDWIN N. CROBIE  
FRANK S. GLENDENING  
PAUL KATZEN  
ABRAM S. KIMMEL  
I. H. KREKSTEIN  
HERBERT T. LORENTZ  
EDWIN S. RENO  
J. DOUGLAS SMILEY  
RIPPLE C. SMITH

OFFICE OF THE SECRETARY  
619 LAND TITLE BUILDING  
PHILADELPHIA 10

December 22, 1950

Hon. Baker Royer, Chairman  
Joint State Government Commission  
Harrisburg, Pennsylvania

Dear Sir:

During 1949 fifteen firms represented in the membership of this Institute contributed their services in a survey of the accounting and financial affairs of many departments of the Commonwealth. Reports of these surveys were submitted to your staff and to us as members of our Institute committee on Commonwealth government accounting.

Subsequently we have conferred with your staff regarding the report which the Commission has prepared covering the survey of the Commonwealth's accounting practices and procedures. We concur in the findings and conclusions expressed in that report and believe that prompt implementation of the recommendations therein will have far reaching beneficial results. These recommendations include:

1. Establishment of a central accounting department of the Commonwealth, headed by an Accountant General to be appointed by the Governor, with the consent of the Senate, for a term of four years.
2. The principal functions of the Accountant General will be the formulation and administration of integrated systems of accounting and financial reporting for all of the departments and agencies of the Commonwealth.
3. The Accountant General to have the power to require compliance by all departments, offices and officers, whether elective or appointive, with the systems of accounting established by the Accountant General and with his administrative decisions relating to the operations of such system. For this purpose the Accountant General should have the power to institute mandamus proceedings.
4. All preauditing functions to be performed in the central accounting department. The Auditor General's department should continue to perform postauditing but this department should not perform preauditing which divides responsibility and makes the Auditor General a party to the accounting which he now also postaudits.

December 22, 1950

Two vitally important objectives will be attainable if these recommendations are adopted:

1. Prompt and reliable financial statements adequate for administrative decisions will be available to the Governor and other administrative officers and to the General Assembly, and appropriate reports will be available for publication at least annually to the public.

2. The presently existing possibilities for the manipulation of accounts and for the misappropriation of Commonwealth funds will be substantially reduced.

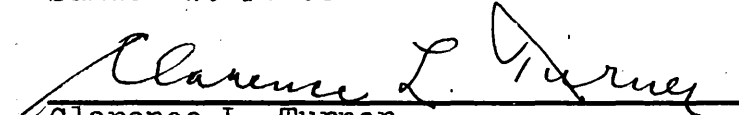
Yours very truly,

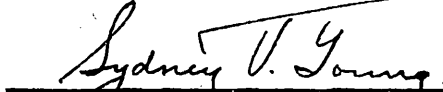
Committee on Commonwealth Government  
Accounting of the Pennsylvania Institute  
of Certified Public Accountants

  
I. H. Kresstein

  
Thomas M. O'Neill

  
Samuel W. Price

  
Clarence L. Turner

  
Sydney V. Young

  
Carl H. Zipp

  
Robert W. Williams, Chairman

APPENDIX G

PROPOSED AMENDMENTS

AN ACT

To amend the act approved the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws 177), entitled "An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the Executive Department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and administrative officers, and of the several administrative departments, boards, commissions, and officers; fixing the salaries of the Governor, Lieutenant Governor, and certain other executive and administrative officers; providing for the appointment of certain administrative officers, and of all deputies and other assistants and employes in certain departments, boards, and commissions; and prescribing the manner in which the number and compensation of the deputies and all other assistants and employes of certain departments, boards and commissions shall be determined," by creating the Department and office of Accountant General and defining their powers and duties; changing certain powers and duties of the Governor and of the various departments, boards, commissions and officers; and providing for the transfer of certain employes from the Department of the Auditor General to the Department of Accountant General.

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

Section 1. Section two hundred one of the act approved the ninth day of April, one thousand nine hundred twenty-nine, (Pamphlet Laws 177), entitled "An act providing for and reorganizing the conduct of the executive and administrative work of the Commonwealth by the Executive Department thereof and the administrative departments, boards, commissions, and officers thereof, including the boards of trustees of State Normal Schools, or Teachers Colleges; abolishing, creating, reorganizing or authorizing the reorganization of certain administrative departments, boards, and commissions; defining the powers and duties of the Governor and other executive and administrative officers, and of the several administrative departments, boards, commissions, and officers; fixing the salaries of the Governor, Lieutenant Governor, and certain other executive and administrative officers; providing for the appointment of certain administrative officers, and of all deputies and other assistants and employes in certain departments, boards, and commissions; and prescribing the manner in which the number and compensation of the deputies and all other assistants and employes of certain departments, boards and commissions shall be determined," as last amended by the act approved the twenty-fifth day of April, one thousand nine hundred forty-nine (Pamphlet Laws 729), is hereby further amended to read as follows:

Section 201. Executive Officers, Administrative Departments, and Independent Administrative Boards and Commissions.--The executive and administrative work of this Commonwealth shall be performed by the Executive Department, consisting of the Governor, Lieutenant Governor, Secretary of the Commonwealth, Attorney General, Auditor General, State Treasurer, Secretary of Internal Affairs, and Superintendent of Public Instruction; by the Executive Board and the Pennsylvania State Police; by the following administrative departments: Department of State, Department of Justice, Department of the Auditor General, Treasury Department, Department of Internal Affairs, Department of Public Instruction, Department of Military Affairs, Insurance Department, Department of Banking, Department of Agriculture, Department of Forests and Waters, Department of Mines, Department of Highways, Department of Health, Department of Labor and Industry, Department of Welfare, Department of Property and Supplies, Department of Revenue, Department of Public Assistance, [and] Department of Commerce, and Department of Accountant General; and by the following independent administrative boards and commissions: Pennsylvania Game Commission, Pennsylvania Fish Commission, State Civil Service Commission, Pennsylvania Public Utility Commission, and the Pennsylvania Historical and Museum Commission.

All of the provisions of this act, which apply generally to administrative departments, or generally except to the Department of the Auditor General and the Treasury Department, shall apply to the Executive Board and to the Pennsylvania State Police.

Section 2. Section two hundred six of said act as last amended by the act approved the tenth day of May, one thousand nine hundred thirty-nine (Pamphlet Laws 101), is hereby further amended to read as follows:

Section 206. Department Heads.--Each administrative department shall have as its head an officer who shall, either personally, by deputy, or by the duly authorized agent or employe of the department, and subject at all times to the provisions of this act, exercise the powers and perform the duties by law vested in and imposed upon the department.

(a) The following officers shall be the heads of the administrative departments following their respective titles:

Secretary of the Commonwealth of the Department of State;  
Attorney General, of the Department of Justice;  
Auditor General, of the Department of the Auditor General;  
State Treasurer, of the Treasury Department;  
Secretary of Internal Affairs, of the Department of Internal Affairs;  
Superintendent of Public Instruction, of the Department of Public Instruction;  
Adjutant General, of the Department of Military Affairs;  
Insurance Commissioner, of the Insurance Department;  
Secretary of Banking, of the Department of Banking;  
Secretary of Agriculture, of the Department of Agriculture;  
Secretary of Forests and Waters, of the Department of Forests and Waters;  
Secretary of Mines, of the Department of Mines;  
Secretary of Highways, of the Department of Highways;  
Secretary of Health, of the Department of Health;  
Secretary of Labor and Industry, of the Department of Labor and Industry;  
Secretary of Welfare, of the Department of Welfare;  
Secretary of Property and Supplies, of the Department of Property and Supplies;  
Secretary of Revenue, of the Department of Revenue;  
Secretary of Public Assistance, of the Department of Public Assistance;  
Secretary of Commerce, of the Department of Commerce;  
Accountant General, of the Department of Accountant General.

Section 3. Section two hundred seven of said act, as last amended by the act approved the eighteenth day of February, one thousand nine hundred forty-nine (Pamphlet Laws 16), is hereby further amended to read as follows:

Section 207. Appointment.--The Governor shall nominate and, by and with the advice and consent of two-thirds of all the members of the Senate, appoint:

(a) The secretary of the Commonwealth, the Attorney General, the Superintendent of Public Instruction, the Adjutant General, the Insurance Commissioner, the Secretary of Banking, the Secretary of Agriculture, the Secretary of Forests and Waters, the Secretary of Mines, the Secretary of Highways, the secretary of Health, the Commissioner of the Pennsylvania State Police, the Secretary of Labor and Industry, the Secretary of Welfare, the Secretary of Property and Supplies, the Secretary of Revenue, the Secretary of Public Assistance, the Secretary of Commerce, the Accountant General, and the members of all independent administrative boards and commissions.

The Adjutant General may have the rank of Major General of the Adjutant General's Department in the Pennsylvania National Guard, or Pennsylvania Guard, or the Governor may designate the ranking line officer of the Pennsylvania National Guard, or Pennsylvania Guard, or an officer of the Regular Army, United States Navy, United States Coast Guard, or United States Marine Corps, as Adjutant General: Provided, That should the ranking line officer be also appointed Adjutant General, he shall receive only the salary provided by law for the Adjutant General: And provided further, That should the ranking line officer be called into the service of the United States, a Deputy Adjutant General, to be designated by the Governor, shall act as Adjutant General during his absence. No Adjutant General shall be appointed who shall not have served at least ten years as a commissioned officer in the Pennsylvania National Guard, Pennsylvania Guard, or equivalent length of service in the Regular Army of the United States, United States Navy, United States Coast Guard, or United States Marine Corps, or Officers Reserve Corps of the United States Army, United States Navy reserve, United States Coast Guard Reserve, or United States Marine Corps Reserve, which service may be cumulative, that is, service in any one or more of the foregoing services may be added together.

The Accountant General shall be a citizen of the United States, shall be at least thirty-five years of age at the time of his appointment and shall have been a resident of Pennsylvania for at

least two years immediately preceding his appointment. The Accountant General shall have had wide technical and administrative experience in accounting. He shall not be eligible to hold any other public office during the period of his term of office.

(b) Except as in this act otherwise provided, the members of all departmental administrative bodies, boards, and commissions, and the officers who shall fill the departmental administrative offices mentioned in this article.

(c) Except as in this act otherwise provided, the members of all advisory boards and commissions.

Section 4. Section two hundred eight of said act, as last amended by the act approved the twenty-eighth day of April, one thousand nine hundred forty-three (Pamphlet Laws 94), is hereby further amended to read as follows:

Section 208. Terms of Office.--The terms of office of the persons appointed by the Governor under the preceding section shall be as follows:

(a) The Secretary of the Commonwealth and the Attorney General shall serve during the pleasure of the Governor.

(b) The term of the Superintendent of Public Instruction shall be four years.

(b. 1) The term of the Accountant General first appointed shall begin on the effective date of this act and shall expire the thirty-first day of August, one thousand nine hundred fifty-five or as soon thereafter as his successor is appointed and qualified; the term of each of his successors shall be four years and until their successors are appointed and qualified.

The Governor may suspend the Accountant General for inefficiency, neglect of duty, or misconduct in office giving him a copy of the charges against him and affording him an opportunity to be publicly heard in person or by counsel in his own defense upon not less than ten days' notice after which the Governor shall either remove him from or reinstate him in the office. If he shall be removed, the Governor shall file with the Department of State a complete statement of all charges made against him and his findings thereon together with a complete record of the proceedings.

Except as in this act otherwise provided, the heads of other administrative departments, the Commissioner of the Pennsylvania State Police, the members of independent administrative boards and commissions, of departmental administrative boards and commissions, and of advisory boards and commissions, and departmental administrative officers, shall hold office for terms of four years, from the third Tuesday of January next following the election of a Governor, and until their successors shall have been appointed and qualified. [Provided, That the term of the Commissioner of the Pennsylvania State Police appointed prior to the third Tuesday of January, one thousand nine hundred thirty-nine, shall expire upon that date, or as soon thereafter as his successor shall have been appointed and qualified.]

Section 5. Section two hundred nine of said act as last amended by the act approved the twenty-eighth day of April, one thousand nine hundred forty-nine (Pamphlet Laws 776), is hereby further amended to read as follows:

Section 209. Compensation of the Governor, Lieutenant Governor, and the heads of Departments.--Annual salaries shall be payable in equal semi-monthly installments, as follows:

To the Governor, twenty-five thousand dollars.

To the Lieutenant Governor, fifteen thousand dollars.

To the Secretary of the Commonwealth, fifteen thousand dollars.

To the Attorney General, fifteen thousand dollars.

To the Auditor General, fifteen thousand dollars.

To the State Treasurer, fifteen thousand dollars.

To the Secretary of Internal Affairs, fifteen thousand dollars.

To the Superintendent of Public Instruction, fifteen thousand dollars.

To the Adjutant General, fifteen thousand dollars.

To the Insurance Commissioner, fifteen thousand dollars.

To the Secretary of Banking, fifteen thousand dollars.

To the Secretary of Agriculture, fifteen thousand dollars.

To the Secretary of Forests and Waters, fifteen thousand dollars.

To the Secretary of Mines, fifteen thousand dollars.

To the Secretary of Highways, fifteen thousand dollars.

To the Secretary of Health, fifteen thousand dollars.

To the Secretary of Labor and Industry, fifteen thousand dollars.

To the Secretary of Welfare, fifteen thousand dollars.

To the Secretary of Property and Supplies, fifteen thousand dollars.



To the Secretary of Revenue, fifteen thousand dollars.  
To the Secretary of Public Assistance, fifteen thousand dollars.  
To the Secretary of Commerce, fifteen thousand dollars.  
To the Accountant General, fifteen thousand dollars.

Neither the Governor, Lieutenant Governor, nor the head of any administrative department, shall receive any additional compensation for any services rendered to the Commonwealth in any capacity.

Section 6. Section five hundred twelve of said act is hereby amended to read as follows:

Section 512. Legal Advice and Services.--Whenever any department, board, commission, or officer of the State Government, shall require legal advice concerning its conduct or operation, or when any legal difficulty or dispute arises, or litigation is commenced or to be commenced in which any department, board, commission, or officer, is concerned, or whenever any taxes or other accounts of any kind whatever due the Commonwealth remain overdue and unpaid for a period of ninety days, it shall be the duty of such department, board, commission, or officer, to refer the same to the Department of Justice.

It shall be the duty of any department, board, commission, or officer, having requested and received legal advice from the Department of Justice regarding the official duty of such department, board, commission, or officer, to follow the same, and, when any officer shall follow the advice given him by the Department of Justice, he shall not be in any way liable for so doing, upon his official bond or otherwise.

Before the Department of Justice shall render any opinion, interpreting any appropriation act, or act authorizing the expenditure of money, it shall notify the Department of the Auditor General, ~~and~~ the Treasury Department, and the Department of the Accountant General of the question upon which its opinion has been requested, and afford to these departments an opportunity to present any views which they may have upon such question.

It shall be unlawful for any department, board, commission, or officer, of the Commonwealth, to engage any attorney to represent such department, board, commission, or officer, in any matter or thing relating to the public business of such department, board, commission, or officer, without the approval in writing of the Attorney General.

Section 7. Section five hundred twenty-seven of said act as added by the act approved the fifth day of June, one thousand nine hundred forty-seven (Pamphlet Laws 407), is hereby amended to read as follows:

Section 527. Filing and Record Systems.--The Governor, shall, from time to time, cause studies to be made of the accumulations of files of correspondence, reports, records and other papers in possession of departments, boards and commissions, and may direct said departments, boards, or commissions to comply with the provisions of sections 524 and 525 of this act. The requisitions, warrants, cancelled checks, books, records, correspondence and files of the Department of the Auditor General, the Department of Accountant General, the Department of Internal Affairs and the Treasury Department, which date back a period of four years or more, shall be expressly covered by the provisions of this section.

Section 8. Section six hundred three of said act as amended by the act approved the first day of June, one thousand nine hundred thirty-one (Pamphlet Laws 350), is hereby further amended to read as follows:

Section 603. List of Employes to be Furnished to Certain State Officers.--All administrative departments, boards, and commissions shall, on the fifteenth day of June of each year, transmit to the Auditor General, the State Treasurer, the Accountant General, and the ~~Budget Secretary~~ Governor, a complete list, as of June first preceding, of the names of all persons, except day-laborers, entitled to receive compensation from the Commonwealth for services rendered in or to the department, board, or commission, as the case may be. Such list shall show the position occupied by each such person, the date of birth and voting residence of such person, the salary at which or other basis upon which such person is entitled to be paid, the date when such person entered the service of the Commonwealth, whether such person has been continuously employed by the Commonwealth since that date, and all periods of service and positions held as an employe of the Commonwealth, or such part of such information as the Governor may prescribe.

Each month thereafter, the heads of the several administrative departments, and the several independent administrative boards and commissions, shall certify to the Auditor General, the State Treasurer, the Accountant General, and the /Budget Secretary/Governor any changes in the annual list of employes last transmitted to them which shall have occurred during the preceding month.

The information received by the Auditor General, the State Treasurer, the Accountant General, and the /Budget Secretary/Governor under this section, shall be public information.

Section 9. Section six hundred four of said act as amended by the act approved the third day of June, one thousand nine hundred forty-three (Pamphlet Laws 833) is hereby further amended to read as follows:

Section 604. /Estimates of Current Expenditures by Departments, Boards, and Commissions.--Each administrative department, board, and commission, except the departments of which the Auditor General, Secretary of Internal Affairs and the State Treasurer are respectively the heads, shall, from time to time, as requested by the Governor, prepare and submit to the Governor, for approval or disapproval, an estimate of the amount of money required for each activity or function to be carried on by such department, board or commission, during the ensuing month, quarter, or such other period as the Governor shall prescribe. If such estimate does not meet with the approval of the Governor, it shall be revised in accordance with the Governor's desires and resubmitted for approval.

After the approval of any such estimate, it shall be unlawful for the department, board, or commission to expend any appropriation or part thereof, except in accordance with such estimate, unless the same be revised with the approval of the Governor.

If any department, board, or commission, to which this section applies, shall fail or refuse to submit to the Governor estimates of expenditures, in accordance with the Governor's request, the Governor may notify the Auditor General, in writing, of such failure or refusal, and, after receipt of such notice, the Auditor General shall not draw any warrant in favor of such department, board or commission, until the Governor shall have notified the Auditor General, in writing, that the delinquent department, board, or commission has furnished him with, and he has approved, the estimate as required by this section.]

Estimates of Current Expenditures; Approval and Disapproval; Effects of Noncompliance.--The Governor shall monthly, quarterly or for such other period of time as he shall prescribe request each department, board and commission and each other agency receiving State appropriations, except the Department of the Auditor General, the Treasury Department and the Department of Internal Affairs, to prepare and submit to him an estimate of the amount of money required for each activity or function to be carried on by it during the comparable ensuing period of time. It shall be the duty of each department, board and commission to comply with any such request made by the Governor in connection with estimates of current expenditures.

If any such estimate is not in accordance with the budget limitations contained in the appropriations made by the General Assembly, the Governor shall disapprove it. If for any reason any such estimate submitted by any non-elective department, board or commission does not meet with the Governor's approval, he may disapprove it. When an estimate is disapproved it shall be revised to meet the objections made against it and shall be resubmitted for approval.

After the approval of any such estimate, it shall be unlawful for any department, board or commission to expend any appropriation or part thereof except in accordance with such estimate unless the same be revised with the approval of the Governor. The Accountant General shall not approve any requisition for expenditures contrary to the requirements of this paragraph.

If any department, board or commission fails or refuses to submit any such estimate or revised estimate of expenditures the Governor may notify the Accountant General in writing of such failure or refusal and after receipt of such notice the Accountant General shall not approve any requisition for expenditures in favor of such department, board or commission until the Governor notifies him in writing that the delinquent department, board or commission has furnished such estimate and that it has been approved.

The Governor shall certify to the Accountant General the periodical allocations of the budget appropriations made to the several departments, boards, and commissions and all other agencies to which State appropriations have been made for the then current fiscal biennium.

Section 10. Clauses (d) and (e) of section seven hundred one of said act as last amended by the act approved the twenty-first day of May, one thousand nine hundred forty-three (Pamphlet Laws 467) are hereby repealed.

Section 11. Said act is hereby amended by adding immediately following Article XI, thereof, a new Article to read as follows:

#### ARTICLE XI-A

##### Powers and Duties of the Department of Accountant General

Section 1101-A. Powers and Duties in General.--Subject to any inconsistent provisions in this act contained, the Department of Accountant General shall exercise the powers and perform the duties vested in and imposed upon it and the Accountant General by the Fiscal Code and other laws.

Section 12. Clause (c) of section two thousand three hundred fifteen and clause (a) of section two thousand three hundred sixteen of said act are hereby amended to read as follows:

Section 2315. State Institutions.--With regard to State institutions, the department shall have the power, and its duty shall be:

(c) To issue requisitions upon the /Auditor General for warrants to be drawn by the Auditor General upon the State Treasurer/Accountant General for his approval for payment by the State Treasurer in favor of such institutions, /for the payment, /out of moneys specifically appropriated to the department for the purpose of the expenses of administering, operating, maintaining, and developing such State institutions;

Section 2316. Care of the Indigent.--The Department of Welfare shall have the power, and its duty shall be:

(a) Whenever the General Assembly shall have specifically appropriated money to the department for the purpose, to issue requisitions upon the /Auditor General for warrants, to be drawn by the Auditor General upon/ Accountant General for his approval for payment by the State Treasurer, in favor of such hospitals, homes, and institutions as shall conform to at least the minimum standards of plant, equipment, service, administration, and care and treatment necessary for the proper care and treatment of patients or inmates, as required by the rules and regulations of the department, or established by law, in amounts computed upon the per diem rates of payment established by law for free service to indigent persons as follows:

1. The care and treatment of sick or injured persons in hospitals.
2. The care of dependent, delinquent, and defective children in homes or institutions,
3. The care of dependent adults in homes or institutions,
4. The care and treatment of crippled children in homes or hospitals,
5. The care, treatment and removal of insane persons in county hospitals for the insane or private institutions licensed by the department,
6. The removal of nonresident dependent children,
7. The placement of dependent children through child-caring agencies;

Section 13. Clause (h) of section two thousand four hundred two, section two thousand four hundred five, and clause (i) of section two thousand four hundred eight of said act as last amended by the act approved the twenty-first day of June, one thousand nine hundred thirty-seven, (Pamphlet Laws 1865), are hereby further amended to read as follows:

Section 2402. Grounds, Buildings and Monuments in General.--The Department of Property and Supplies shall have the power, and its duty shall be:

(h) Whenever loss or damage by fire or other casualty shall occur to any structure, building, equipment, or other property owned by the Commonwealth, and be reported to the department, to make an examination thereof, and, in its discretion, subject only to the approval of the Governor, to rebuild, restore, or replace the property damaged or destroyed, and, for that purpose, to have plans and specifications prepared and contracts executed, and to supervise the erection, construction or replacement thereof, such rebuilding, restoration, or replacement to be in substantial accord with the original character, use, and purposes of the property damaged or destroyed. The cost of the materials furnished,

and work and labor performed, under such contracts, shall be certified by the department to the [Auditor General,] Accountant General, who shall issue his [warrant] requisition against the State Insurance Fund of this Commonwealth, which [warrant] requisition shall be paid by the State Treasurer, in the manner provided by law: Provided, That whenever the department shall have taken such action as will involve expenditures from said fund, it shall forthwith certify the probable amount of expenditure to the State Treasurer, who shall forthwith take such action as is necessary to provide funds sufficient to meet the obligations so entered into;

Section 2405. Sale of Unserviceable Property.--The Department of Property and Supplies shall have the power, and its duty shall be, to receive from the several administrative departments, and independent administrative and departmental administrative boards and commissions, unserviceable personal property of this Commonwealth, to issue a receipt therefor, make a complete record thereof, and, if no other department, board or commission is able to make use of the same presently, then, as soon as convenient, to sell the same, either at public auction or at private sale, in the city of Harrisburg, or elsewhere, as may be deemed advisable. Except in the case of perishable property, such sales shall, if the department deems it feasible in view of the value of the property involved, be advertised in not exceeding five newspapers of the Commonwealth, once a week for three weeks, such advertisement to state the time, place and conditions of any such sales; but, if, after, such advertising, the department is unable to obtain a bid for the property, it may be demolished or destroyed: Provided, That when the unserviceable property is located outside the city of Harrisburg, the Department of Property and Supplies, in its discretion, may authorize the department, board, or commission having possession of the same, without advertising, to obtain at least two bids in the locality where the property is located. Such bids shall be referred to the Department of Property and Supplies, and, if it believes that the property will not realize a higher net sale price if transported to the Capitol for sale, the department may authorize the department, board, or commission having possession of the same, to sell the property locally to the highest bidder, to take a proper receipt therefor, and to transmit the proceeds to the [Department of Property and Supplies,] Department of Accountant General, to be by it paid into the State Treasury [through the Department of Revenue]: And provided further, That whenever any department, board, or commission shall deliver to the Department of Property and Supplies any unserviceable personal property, and, at the same time, requisition the said department to furnish new property of a similar character to replace the unserviceable property delivered as aforesaid, or request said department, as purchasing agency, to purchase new property of a similar character, the Department of Property and Supplies shall endeavor to exchange the unserviceable property for or on account of the purchase price of the new property about to be purchased, but such unserviceable property shall not be delivered for or on account of the purchase price of any property at a lower valuation than the price which such unserviceable property would bring if sold in the open market for cash, and, to the extent that advertising any such unserviceable property for sale may be necessary, to establish its market value, the Department of Property and Supplies is authorized and directed to advertise as hereinabove provided. The Department of Property and Supplies shall obtain from the person, partnership, or corporation, to which any personal property is delivered in exchange under the authority of this section a receipt therefor, describing such personal property and specifying the value at which it was taken in exchange, and such receipt shall be delivered to the [Auditor General] Accountant General, attached to the requisition for the payment of the balance of the purchase price due for the new property purchased. The proceeds of sales of personal property hereunder, shall be transmitted by the Department of Property and Supplies to the [Department of Revenue,] Department of Accountant General, which shall transmit it to the Treasury Department to be credited to the fund out of which the property sold was originally purchased.

Section 2408. Procedure for Erection of Buildings and Alterations or Additions to Existing Buildings.--Whenever the General Assembly shall have appropriated money to the Department of Property and Supplies, or to any other department, or to any administrative board, or commission, for the erection of new buildings, or sewage or filtration plants, other service systems, or athletic fields, or other structures, or for alterations or additions or repairs to existing buildings, or to such plants, systems, fields, or structures, to cost more than four thousand dollars (\$4,000), the following procedure shall apply, unless the work is to be done by State employes, or by inmates or patients of a State institution or State institutions, or unless the department, board, or commission to which the General Assembly has appropriated money for the foregoing purposes is, by this act or by the act making the appropriation, authorized to erect, alter, or enlarge buildings independently of the Department of Property and Supplies, or under a different procedure:

(i) No contract shall be valid or effective unless a certified copy thereof, detail break-down sheet of the work, and contract price of the work involved, shall have been filed in the offices of

the Auditor General, the State Treasurer, the Accountant General, and the department, board, or commission for which the work is to be done, promptly after the execution of the contract;

Section 14. All employes of the Department of Auditor General on the effective date of this act connected with the functions of such department relating to the drawing of warrants shall become employes of the Department of Accountant General and shall perform the duties assigned by the Accountant General upon the same terms and conditions as theretofore until removed or appointed to other positions by the Accountant General.

Section 15. All acts and parts of acts are hereby repealed in so far as they are inconsistent with the provisions of this act.

Section 16. The provisions of this act shall become effective on the first day of June, one thousand nine hundred fifty-one.

## AN ACT

To amend the act approved the ninth day of April, one thousand nine hundred twenty-nine, (Pamphlet Laws 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 money 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," by defining the powers and duties of the Department of Accountant General and the Accountant General; providing for the installation and maintenance of a uniform system of accounts of Commonwealth finances and of accounting reports based thereon; imposing duties on every Commonwealth agency receiving or disbursing moneys from or on behalf of the Commonwealth; and further regulating the disbursement of moneys from the State Treasury.

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

Section 1. Sections two, eight, two hundred four and two hundred six of the act approved the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws 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 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," are hereby amended to read as follows:

Section 2. General Scope of the Act.-This act is intended to define the powers and duties of the Department of Revenue, the Treasury Department, the Department of the Auditor General, the Department of Accountant General, the Secretary of the Commonwealth, the Board of Finance and Revenue, the Board of Fish Commissioners, the Board of Game Commissioners, county treasurers, registers of wills, mercantile appraisers, and other statutory agents, with respect to the collection of taxes and other moneys due the Commonwealth, the custody and disbursement or other disposition of all funds and securities belonging to or in the possession of the Commonwealth, the maintenance of the accounts of all Commonwealth funds, securities and claims and the rendering of accounting reports based thereon, and the settlement of claims against the Commonwealth.

This act is not intended to change the incidence or amount of any existing tax, license fee, or bonus payable to the Commonwealth, or any agency thereof, under existing law, or to impose any new tax, license fee, or bonus, accruing to the Commonwealth or any agency thereof, nor is it intended to provide for the organization of any department, board, or commission. The organization of all agencies whose powers and duties are defined by this act shall continue to be governed by the Administrative Code and other applicable laws.

Section 8. Payments.--All payments of bonus, taxes, fees or other moneys, now by law required to be made to the Auditor General or to the State Treasurer shall, after the effective date of this act, be made to the State Treasurer either directly or through the Department of Revenue, as provided by this act, no matter by what agency such bonus, taxes, fees or other moneys shall be collected from the person, association, corporation, political subdivision or officer liable to pay them to the Commonwealth or to any officer of the Commonwealth.

Section 204. License Fees.--The Department of Revenue shall have the power, and its duty shall be:

(a) To exercise all of the powers, and perform all of the duties, heretofore exercised and performed by the Department of Highways, or the Secretary of Highways, in connection with the collection of fees for registering and titling motor vehicles and trailers, and for licensing operators of vehicles, and in the collection of fines and penalties imposed upon violators of the laws regulating the registration, titling, and operation of vehicles upon the highways;

(b) To prepare, procure, and supply to the county treasurers of the several counties to be issued by them upon the payment of the fees, if any, prescribed by law;

1. Forms of resident and non-resident fishing license,
2. Fishing license buttons, to be issued in conjunction with resident and non-resident fishing licenses,
3. Forms of resident and non-resident hunters' license certificate,
4. Hunters' license tags, to be issued in conjunction with resident and non-resident hunters' license certificates,
5. Forms of dog license,
6. Dog license tags, to be issued in conjunction with dog licenses, and
7. Forms of kennel license.

The certificates, licenses, buttons and tags, to be furnished by the Department of Revenue to the county treasurers hereunder, shall comply with the requirements of the laws providing for the issuance thereof.

(c) To issue resident and non-resident fishing licenses, and resident and non-resident hunters' licenses, to persons applying to the department therefor, and entitled thereto under the fish and game laws respectively, upon payment of the fees prescribed by law, and after the effective date of this act, such licenses shall be issued only by the county treasurers and by the Department of Revenue; and

(d) If at any time it shall believe the best interests of the Commonwealth would be subserved by so doing, with the approval of the Governor, to discontinue the issuance through the county treasurers of resident and non-resident hunters' licenses, resident and non-resident fishermen's licenses, dog licenses, and kennel licenses, and thereafter to issue all such licenses directly; and

[ (e) To receive for transmission to the State Treasury all other license fees of every kind and description collected for the Commonwealth by any statutory agent thereof, or by any administrative department, independent administrative board or commission, or departmental administrative board or commission; and ]

(f) To supervise the collection by county officers of any license fees, which it is the duty of such officers to collect as agents of the Commonwealth.

Section 206. Other Collections.--The Department of Revenue shall have the power, and its duty shall be:

(a) To collect all amounts, payable out of the estates of inmates, for their care and maintenance in State-owned institutions for mental patients, mental defectives, or epileptics, and all amounts payable by other persons, or by political subdivisions of this Commonwealth, or by the Federal Government or any agency thereof, for the care and maintenance in such institutions of persons whose estates are insufficient to enable the entire cost of their care and maintenance to be collected therefrom;

(b) To collect from patients, or from the persons legally liable therefor, all amounts becoming due for the treatment, care, and maintenance of such patients in State-owned hospitals;

(c) To collect from counties and the Federal Government amounts due by them respectively for the cost, or their share of the cost, of maintaining prisoners in State penal or correctional institutions;

[ (d) To collect all amounts, payable by or for pupils, for instruction and maintenance in State-owned educational institutions, including State normal schools and State teachers' colleges: ]

(e) To collect, from political subdivisions of this Commonwealth, all sums payable by them as their share of the cost of improving and rebuilding the highways of the Commonwealth;

[ (f) To receive, for transmission to the officer of this Commonwealth, if any, specified in the act of Congress appropriating the money, and if no officer be thus designated, to the State Treasurer, any moneys contributed by the Federal Government to this Commonwealth or any agency thereof for any purpose; ]

(g) To collect from magistrates, aldermen, justices of the peace, burgesses, and mayors, all fines and penalties imposed by them for violations of acts of Assembly, and payable into the State Treasury, or to any department, board, or commission of the State Government;

(h) Except as otherwise in this act provided, to collect all other revenues of any kind or description payable to the Commonwealth, [ In all cases in which existing laws provide that any moneys collectible under this section ] except in cases where the law provides that the moneys collectible shall be payable to any other department, or to any board, commission, or officer of the State Government. [ the Department of Revenue shall act as agent of such department, board, commission, or officer in making collection of such moneys. ]

Section 2. Sections two hundred nine, two hundred ten and three hundred four of said act, as amended by the act approved the first day of June, one thousand nine hundred thirty-one (Pamphlet Laws 318), are hereby further amended to read as follows:

Section 209. Transmission of Moneys.--All moneys received by the Department of Revenue during any date shall be transmitted promptly to the Treasury Department, and the Treasury Department shall forthwith issue its receipt to the Department of Revenue for such moneys, and credit them to the fund and account designated by the Department of Revenue.

Detailed statements of all moneys received shall be furnished to the Treasury Department [ and ], the Department of the Auditor General and the Department of Accountant General contemporaneously with the transmission of such moneys to the Treasury Department.

Section 210. Agents of Department of Revenue for the Collection of Money.--The Department of Revenue shall have authority to appoint agents in any place within this Commonwealth for the collection of moneys due the Commonwealth, except taxes and fees now collectible by county officers and except fees and other moneys collectible by other departments, boards and commissions, and which, under the provisions of this amendment, are to be transmitted directly to the Treasury Department.

To facilitate the collection of [ money from persons who are inmates, patients, or pupils of State institutions, or who have business with administrative departments, boards, or commissions, such agents shall be placed in every such institution, including State normal schools and teachers' colleges, and in the offices of such departments, boards, or commissions. ] moneys which the Department of Revenue is required by this act to collect through certain administrative departments, boards and commissions, from inmates or patients of State institutions, or from persons having business with those departments, boards, or commissions, such agents shall be placed in every such institution and in the offices of those departments, boards and commissions. It shall be lawful for the Secretary of Revenue to designate any regular employe of any such administrative department, board, or commission with the consent of [ such ] the department, board, or commission, as the agent of the Department of Revenue for the collection or receipt of money, but no regular employe thus designated by the Secretary of Revenue shall receive any extra compensation for acting as such agent, except with the approval of the Executive Board.

For all moneys collected by its agents, such agents shall issue receipts on behalf of and in the



manner prescribed by the Department of Revenue, except that, where money is paid for the issuance of a license or certificate, no receipt shall be issued unless the Department of Revenue so determines.

All agents shall furnish the Department of Revenue with detailed statements of all moneys received, collected, and transmitted, and shall keep records of the amounts owing to or due the Commonwealth and such other records as shall be required by the Department of Revenue. The form of all such statements and records shall be prescribed by the Department of Revenue.

All agents of the Department of Revenue shall be bonded, in such amounts as shall be determined by the Secretary of Revenue with the approval of the Executive Board, and the Secretary of Revenue shall be responsible for the actions of employes of other departments, boards, and commissions, designated by him as agents of the Department of Revenue, to the same extent to which he is responsible for the actions of employes of his own department.

Section 304. Interest on Deposits; Rate; Reports.--It shall be the duty of the Treasury Department to collect from all State depositories interest on State deposits. Active and inactive depositories shall pay interest at such rates as shall be prescribed by the Board of Finance and Revenue except that, if an active account is opened in an inactive depository by a department other than the Treasury Department, or by a board or commission, the rate of interest thereon may, with the approval of the Board of Finance and Revenue, be reduced to that payable by active depositories. Interest on deposits shall in all cases be credited to the fund upon which the interest was earned, except that interest on deposits of the Liquid Fuels Tax Fund shall be credited to the Motor License Fund, and interest on deposits of the Fire Insurance Tax Fund shall be credited to the State Insurance Fund.

Interest payable hereunder shall become due semiannually, on the thirtieth day of June, and the thirty-first day of December, each year, and it shall be the duty of every bank, banking institution, and trust company, acting as a State depository, to make an interest report, relative to its State deposits, to the Treasury Department, in triplicate, within thirty days after the dates above set forth. The Treasury Department shall retain one copy of the report, transmit one to the Department of the Auditor General for audit, and the third and fourth respectively to the [ Department of Revenue ] Department of Accountant General for its information.

If any bank, banking institution, or trust company shall, within thirty days after the end of any interest period, fail to make such report for such period, the Treasury Department shall certify that fact to the [ Department of Revenue ] Department of Accountant General with such information as shall enable that department to settle and collect the penalty hereinafter in this act provided.

Section 3. Sections three hundred five and three hundred six of said act are hereby amended to read as follows:

Section 305. Receipts.--It shall be the duty of the Treasury Department to issue its receipt to [ the Department of Revenue ] any department, board, or commission for all moneys transmitted by [ the Department of Revenue ] that department, board, or commission to the Treasury Department.

Section 306. [ Audit of Requisitions and ] Adjustment of Claims.--The Treasury Department shall cooperate with the Department of Auditor General and the Department of Accountant 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.

Section 4. Section three hundred seven of said act as amended by the act approved the nineteenth day of June, one thousand nine hundred forty-one, (Pamphlet Laws 139), is hereby further amended to read as follows:

Section 307. Disbursements.--No money shall be paid from any of the funds of the State Treasury, except upon [ warrant of the Auditor General issued upon requisition pursuant to law ] requisitions which have been approved or prepared by the Accountant General except 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 except 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 5. Section four hundred three of said act is hereby amended to read as follows:

Section 403. Audits of Agencies Receiving State Aid.--The Department of the Auditor General shall have the power, and its duty shall be, to audit, the accounts and records of every person, association, corporation, and public agency, receiving an appropriation of money, payable out of any fund in the State Treasury, or entitled to receive any portion of any State tax for any purpose whatsoever, as far as may be necessary to satisfy the department that the money received was expended [ or is being expended ] for no purpose other than that for which it was paid. Copies of all such audits shall be furnished to the Governor.

If at any time the department shall find that any money received by any person, association, corporation, or public agency, has been expended for any purpose other than that for which it was paid, it shall forthwith notify the Governor [ and shall decline to approve any further ] and the Accountant General. The Accountant General shall not approve any requisition for the payment of any appropriation, or any further portion of any State tax, to such person, association, corporation or public agency, until an amount equal to that improperly expended shall have been expended for the purpose for which the money improperly expended was received from the State Treasury.

Section 6. Section four hundred four of said act is hereby repealed.

Section 7. Said act is hereby amended by adding immediately following Article IV thereof, a new Article to read as follows:

#### ARTICLE IV-A

##### DEPARTMENT OF ACCOUNTANT GENERAL

###### Section 401-A. Modern Integrated System of Accounts.--

(a) The Department of Accountant General shall install and maintain a modern integrated system of accounts conforming to and consistent with proper governmental accounting standards. The accounting system shall reflect, on an accrual basis, the financial condition and operation of the Commonwealth and all the agencies receiving or disbursing moneys, from or on behalf, of the Commonwealth.

(b) Such system of accounts shall also: (1) distinguish technically between capital and revenue expenditures; (2) include a complete system of proprietary and corrolary budgetary accounts; (3) treat each statutory fund as an entity and recognize trust, agency, special purpose and working capital funds as well as the general operating fund; (4) provide for the recording of all encumbrances at the time created by Commonwealth commitments against the appropriation or fund affected.

(c) Such system of accounts shall make uniform application and use of the detailed code of accounts to be prescribed by the Accountant General as hereinafter provided.

(d) Commonwealth activities similar to private enterprises in operation shall be treated as such in so far as the application of such system of accounts is concerned.

###### Section 402-A. Accounts and Reports of Commonwealth Agencies; Code and Manual of Accounts.--

(a) The Department of Accountant General shall in conformity with the modern integrated system of accounts hereinbefore set forth supervise and direct the form, manner and content of accounts to be kept by any Commonwealth agency and the form, manner and content of accounting reports and statements to be rendered by such agency.

(b) For such purpose, the Department of Accountant General shall prepare and keep up to date for the use of all such Commonwealth agencies a code of accounts, either numerical, alphabetical or both, and a manual of accounts setting forth the nature of the integrated system of accounts, the definitions and classifications of each account therein in such form as it shall prescribe, and types of statements to be submitted to it and the methods for their preparation.

(c) The Department of Accountant General shall prescribe and it shall be the duty of each Commonwealth agency to furnish the department with reports of all financial claims against the Commonwealth or accruing to the Commonwealth against others and any other financial data actual or contingent which the department deems necessary to the conduct of its office.

Section 403-A. Quarterly Statements by Accountant General and Commonwealth Agencies.--

(a) Within thirty (30) days after the end of each quarter of the fiscal year, the Accountant General shall have prepared a complete statement of the financial condition and operation of the Commonwealth which shall be both current for the preceding quarter and cumulative for the then current fiscal biennium.

(b) In respect to the financial condition of the Commonwealth, such statement shall show the financial condition of each of the component funds.

(c) In respect to the financial operation of the Commonwealth, such statement shall show the actual financial condition and operation, as compared with the projected budgeted financial condition and appropriations respecting operations of each Commonwealth agency.

(d) Within thirty (30) days after the end of each fiscal year the Accountant General shall submit one copy of such statement to the Governor, one to the General Assembly when in session or to the Joint State Government Commission when the General Assembly is not in session, and shall make available such statement for the information of the general public.

(e) The provisions of subsections (a), (b), (c), and (d) of this section shall not be mandatory upon the Accountant General until the first day of June, one thousand nine hundred fifty-two.

(f) It shall be the duty of every Commonwealth department and agency keeping accounts to transmit to the Accountant General not later than the fifteenth day of every month such statements as the Accountant General may require.

Section 404-A. Approval of Requisitions for Disbursements.--

The Department of Accountant General shall carefully examine all requisitions submitted to it for approval for the payment of money by the State Treasurer, out of any fund of the State Treasury, and shall approve the same for payment only if such expenditures are (1) in conformity with the budget appropriations and allocations set aside therefor consistent with the financial records maintained by the department, (2) within the functions of the source requesting the expenditure, (3) properly vouchered and (4) for value received. Payment shall be made by the State Treasurer on such requisitions only after approval by the Accountant General.

Section 405-A. Mandamus.--The Accountant General shall have the power and it shall be his duty to bring an action of mandamus to enforce compliance with the powers and duties of the department.

Section 8. Sections six hundred two and six hundred five of said act, are hereby amended to read as follows:

Section 602. Insurance Commissioner to Collect Fees, Fines and Penalties.--The Insurance Commissioner shall continue to collect all fines and penalties, which he is now authorized to impose and collect, and all license and other fees which he is authorized by law to collect from persons, associations, and corporations, subject to the jurisdiction of the Insurance Department, [ but the Department of Revenue shall assign to the Insurance Department an agent, or designate an employe of the Insurance Department as its agent, for the purpose of receiving ] and all such fees, fines, and penalties shall be promptly transmitted to the Treasury Department.

Section 605. Other Departments, Boards, and Commissions of the State Government to Continue to Collect Certain Fees, Et Cetera.--[ Subject to any inconsistent provisions elsewhere in this act contained. ] Except as otherwise provided in this act every administrative department, every independent administrative board or commission, and every departmental administrative board or commission of the State Government, which is authorized by law to collect any [ taxes, ] fees, charges, or other moneys, except taxes payable to such department, board, or commission, for its use, or for the use of the Commonwealth, for registrations, licenses, examinations, inspections, services rendered, permits, or any other purpose or reason whatsoever, shall continue to collect such [ taxes, ] fees, charges, or other moneys, and, subject as aforesaid, shall continue to collect all fines, penalties, and bail forfeited, which it is authorized by law to collect. [ but the ] All such moneys shall be promptly transmitted directly to the Treasury Department. The Department of Revenue shall assign an agent to any [ such ] department, board, or commission, [ an agent ] in or through which it is required under the provisions of this act to collect any moneys, or designate as its agent an employe of such depart-

ment, board, or commission, for the purpose of receiving all moneys payable to such department, board, or commission.

Section 9. Sections twelve hundred nine and twelve hundred ten of said act as amended by the act of June first, one thousand nine hundred thirty-one (Pamphlet Laws 318) are hereby further amended to read as follows:

Section 1209. Collection of Amounts payable to Certain State Institutions.--The Department of Revenue shall place its agent in every State institution except State-owned educational institutions including State Normal schools and State Teachers' colleges, for the purpose of collecting all moneys due to such institutions from patients,  pupils,  inmates, or the estates of such patients,  pupils  or inmates, or from any political subdivision of this Commonwealth, including  school districts, and  poor districts,  or from the Federal Government,  or from any other person, association, corporation, or public agency whatsoever, for care, treatment, instruction, maintenance, or any other expense, chargeable for or on account of such patients,  pupils,  or inmates.

All bills rendered hereunder shall be in the style, "Commonwealth of Pennsylvania, Department of Revenue, Agent for the Collection of Moneys Owing to (name of institution or its board of trustees)."

All such bills shall be due when rendered, and shall bear interest at the rate of six per centum per annum from thirty days after their date.

Section 1210. Collections Made by Departments, Boards and Commissions Other Than the Department of Revenue.-- All  Except as otherwise provided in this act all collections of every kind and description, which any department, board, or commission of the State Government is by this act authorized to continue to make, shall be  turned over  transmitted immediately upon the receipt thereof  to the agent of the Department of Revenue assigned to or designated in such department, board, or commission,  directly to the Treasury Department.

Copies of all bills rendered by every department, board, and commission shall be forwarded to the Department of the Auditor General and to the Department of  Revenue  Accountant General not later than the business day following their date.

Section 10. Article 12 of said act is hereby amended by adding immediately after Section twelve hundred ten, a new section to read as follows:

Section 1211. Detailed statements of all moneys received by any department, board, or commission, other than the Department of Revenue, shall be furnished to the Treasury Department, the Department of Accountant General and the Department of Auditor General contemporaneously with the transmission of such moneys to the Treasury Department.

Section 11. Section one thousand five hundred one of said act as amended in part by the act approved the nineteenth day of June, one thousand nine hundred forty-one (Pamphlet Laws 139) is hereby further amended to read as follows:

Section 1501. Requisitions.--No money shall be paid out of any fund in the State Treasury, except the State Workmen's Insurance Fund and except the Surplus Commodities Stamp Fund, until a requisition therefor shall have been presented to or prepared by the  Auditor General.  Accountant General.

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.  Accountant General.

For money appropriated to the Lieutenant Governor he shall prepare requisitions and present them to the Department of  the Auditor General.  Accountant General.

For money appropriated to administrative departments, or to independent administrative boards or commissions, the respective departments, boards, or commissions, shall prepare their requisitions and present them to the Department of  the Auditor General.  Accountant General.

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. ] Accountant General. 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 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, ] Accountant General, 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, ] Accountant General, it shall be forwarded to the Department of [ the Auditor General ] Accountant General through such other administrative department.

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

Section 12. Said act is hereby amended by adding between sections one thousand five hundred one and one thousand five hundred two thereof a new section to read as follows:

Section 1501.1. Approved Requisitions Forwarded to Treasurer.--All approved requisitions for the payment of any money out of any fund of the State Treasury shall be forwarded by the Accountant General to the State Treasurer for payment.

Section 13. Section one thousand five hundred two of said act is hereby amended to read as follows:

Section 1502. [ Audit of Requisitions and Issuance of Warrants.--All requisitions shall be audited by the Department of the Auditor General, 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. 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. ]

Disapproval of Requisition-- Appeal to Governor.--If the Accountant General disapproves a requisition from any department or agency, he shall return the requisition and advise the department or agency in writing stating reasons for his action and it shall be the privilege of the department or agency to appeal the decision to the Governor whose decision shall be final.

Should the Governor disapprove the action of the Accountant General in whole or part, it shall be the duty of the Accountant General to act in accordance with the directions of the Governor.

Section 14. Subsection (b) of section one thousand five hundred three of said act, as amended by the act, approved the sixth day of June, one thousand nine hundred thirty-nine (Pamphlet Laws 261), is hereby further amended to read as follows:

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 ] Accountant General in the total amount of such checks, and the [ Auditor General ] shall issue his warrant on the Treasury Department in the same total amount. ] Accountant General shall approve same for payment. Upon receipt of [ this warrant, ] the approved requisition, the Treasury Department 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.

Section 15. Section one thousand five hundred four of said act as last amended by the act, approved the twenty-eighth day of June, one thousand nine hundred forty-seven (Pamphlet Laws 1006), is hereby further amended to read as follows:

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 ] Accountant General 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, ] Accountant General, from time to time, for such sum or sums of the appropriation as may be necessary to meet such expenses, and the [ Auditor General ] Accountant General shall [ draw his warrant upon the State Treasurer ] approve the requisition for such sum or sums, to be paid by the State Treasurer 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 ] Accountant General 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 department with which such board or commission is connected prior to the presentation thereof to the [ Auditor General ] Accountant General.

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

(1) Whenever required by the [ Auditor General ] Accountant General, 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 ] Accountant General 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, and certify the name thereof to the State Treasurer.

Section 16. Section one thousand five hundred five of said act is hereby amended to read as follows:

Section 1505. Advances to State Agencies Having Funds to Invest.--Whenever any administrative department, board, or commission, whose duty it is to invest funds in securities, shall desire to bid for the whole or any part of a bond issue for which bids are invited by the issuer thereof, and the invitation to bidders requires the deposit of a check or a certified check in order to validate all bids, the department, board, or commission, having the funds to invest, and having procured the approval of the Governor in writing to the bid which it proposes to make, may requisition the [ Auditor General to draw his warrant on the State Treasurer ] Accountant General for such amount, payable out of the fund to be invested, as shall be necessary to validate the bid which such department, board, or commission proposes to make.

In each such case, it shall be the duty of the [ Auditor General ] Accountant General promptly to [ draw his warrant, ] approve the requisition, and of the State Treasurer promptly to issue a check, and, if necessary, have it certified by the depository against which it is drawn, in favor of the issuer of the securities in the amount of the requisition.

It shall be unlawful for any department, board, or commission to make any use of any such check, otherwise than for the purpose for which it was issued, and, if such department's, board's, or commission's bid shall not be accepted, the check shall forthwith be returned to the State Treasurer for cancellation.

Section 17. All acts and parts of acts are hereby repealed in so far as they are inconsistent with the provisions of this act.

Where any law provides that a warrant or warrants shall be drawn upon the Auditor General or by the Auditor General, for the payment of money out of the State Treasury, it is the intent of this act that in lieu of such warrant, a requisition shall be submitted to the Accountant General for approval, or shall be issued by the Accountant General as the case may be, for the payment of such money by the State Treasurer.

Section 18. The provisions of this act shall become effective the first day of June, one thousand nine hundred fifty-one.

## AN ACT

To amend section 8 of the act, approved the thirty-first day of March, one thousand nine hundred forty-nine (Pamphlet Laws 372), entitled "An act to promote the welfare of the people of the Commonwealth; creating the General State Authority as a body corporate and politic with power to construct, improve, equip, furnish, and operate projects, and to lease the same, and to fix fees; rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds for said Authority, and providing for the payment of such bonds, and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Property and Supplies to grant, assign, convey, or lease to the Authority lands of the Commonwealth and interests therein, and to acquire lands therefor; granting the right of eminent domain; empowering The General State Authority to sell and convey projects and property to the Commonwealth; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act," by authorizing the Department of the Accountant General to examine the accounts and books of the Authority.

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

Section 1. Section 8 of the act, approved the thirty-first day of March, one thousand nine hundred forty-nine (Pamphlet Laws 372), entitled "An act to promote the welfare of the people of the Commonwealth; creating The General State Authority as a body corporate and politic with power to construct, improve, equip, furnish, and operate projects and to lease the same, and to fix fees, rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds for said Authority, and providing for the payment of such bonds, and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Property and Supplies to grant, assign, convey, or lease to the Authority lands of the Commonwealth and interests therein, and to acquire lands therefor; granting the right of eminent domain; empowering The General State Authority to sell and convey projects and property to the Commonwealth; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted by this act," is hereby amended to read as follows:

Section 8. Moneys of the Authority.--All moneys of the Authority, from whatever source derived, shall be paid to the treasurer of the Authority. Said moneys shall be deposited in the first instance by the treasurer in one or more banks or trust companies, in one or more special accounts, and each of such special accounts shall be continuously secured by a pledge of direct obligations of the United States of America, of the Commonwealth, or of the county, having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such account. Such securities shall either be deposited with the treasurer or be held by a trustee or agent satisfactory to the Authority. All banks and trust companies are authorized to give such security for such deposits. The moneys in said accounts shall be paid out on the warrant or other order of the treasurer of the Authority or of such other person or persons as the Authority may authorize to execute such warrants or orders. The Department of Revenue the Accountant General of the Commonwealth and its legally authorized representatives, are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other matters relating to its finances, operation, and affairs.



AN ACT

To amend section 9, of the act, approved the eighteenth day of April, one thousand nine hundred forty-nine (Pamphlet Laws 604), entitled "An act to promote the welfare of the people of the Commonwealth; creating a State Highway and Bridge Authority as a body corporate and politic with power to construct, reconstruct, improve, maintain, equip, furnish and operate highway and bridge projects, and roadside rests, and to lease the same, and to fix and collect fees, rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds by said Authority, and providing for the payment of such bonds and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Highways to grant, assign, convey, or lease to the Authority lands, easements, or rights of way of the Commonwealth and interests therein, and to acquire lands therefor; authorizing said Authority and the Department of Highways to enter into agreements providing for mutual cooperation in furtherance of the construction of any project hereby authorized; granting the right of eminent domain; empowering said Authority to sell and convey projects and property to the Commonwealth; and providing that no debt of the Commonwealth or any of its political subdivisions shall be incurred in the exercise of any of the powers granted by this act; and making an appropriation," by authorizing the Department of the Accountant General to examine the accounts and books of the Authority.

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

Section 1. Section 9 of the act, approved the eighteenth day of April, one thousand nine hundred forty-nine (Pamphlet Laws 604), entitled "An act to promote the welfare of the people of the Commonwealth; creating a State Highway and Bridge Authority as a body corporate and politic with power to construct, reconstruct, improve maintain, equip, furnish and operate highway and bridge projects, and roadside rests, and to lease the same, and to fix and collect fees, rentals, and charges for the use thereof; authorizing and regulating the issuance of bonds by said Authority, and providing for the payment of such bonds, and the rights of the holders thereof; and to enter into agreements with the Government of the United States or any Federal agency; and authorizing the Department of Highways to grant, assign, convey, or lease to the Authority lands, easements, or rights of way of the Commonwealth and interests therein, and to acquire lands therefor; authorizing said Authority and the Department of Highways to enter into agreements providing for mutual cooperation in furtherance of the construction of any project hereby authorized; granting the right of eminent domain; empowering said Authority to sell and convey projects and property to the Commonwealth; and providing that no debt of the Commonwealth or any of its political subdivisions shall be incurred in the exercise of any of the powers granted by this act; and making an appropriation," is hereby amended to read as follows:

Section 9. Moneys of the Authority.--All moneys of the Authority, from whatever source derived, shall be paid to the treasurer of the Authority. Said moneys shall be deposited in the first instance by the treasurer in one or more banks or trust companies in one or more special accounts and each of such special accounts shall be continuously secured by a pledge of direct obligations of the United States of America, of the Commonwealth or of a county of the Commonwealth having an aggregate market value, exclusive of accrued interest, at all times, at least equal to the balance on deposit in such account. Such securities shall either be deposited with the treasurer or be held by a trustee or agent satisfactory to the Authority. All banks and trust companies are authorized to give such security for such deposits. The moneys in said accounts shall be paid out on the warrant or other order of the treasurer of the Authority or of such person or persons as the Authority may authorize to execute such warrants or orders. The Department of ~~Revenue~~ the Accountant General of the Commonwealth or its legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements contracts, leases, sinking funds, investments and any other matters relating to its finances, operation and affairs.

## AN ACT

To further amend section 9 of the act, approved the fifth day of July, one thousand nine hundred forty-seven (Pamphlet Laws 1217), entitled "An act to promote the education and educational facilities of the people of the Commonwealth of Pennsylvania; creating a State Public School Building Authority as a body corporate and politic with power to construct, improve and operate projects and to lease the same and to fix and collect fees, rentals, and charges for the use thereof; authorizing school districts to enter into contracts to lease; authorizing and regulating the issuance of bonds by said Authority; and providing for the payment of such bonds and the rights of the holders thereof; granting the right of eminent domain; increasing the powers and duties of the Department of Public Instruction; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted under this act; and making an appropriation to said Authority to pay expenses incident to its formation," by authorizing the Department of the Accountant General to examine the accounts and books of the Authority.

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

Section 1. Section 9 of the act, approved the fifth day of July, one thousand nine hundred forty-seven (Pamphlet Laws 1217), entitled "An act to promote the education and educational facilities of the people of the Commonwealth of Pennsylvania; creating a State Public School Building Authority as a body corporate and politic with power to construct, improve and operate projects and to lease the same and to fix and collect fees, rentals and charges for the use thereof; authorizing school districts to enter into contracts to lease; authorizing and regulating the issuance of bonds by said Authority; and providing for the payment of such bonds and the rights of the holders thereof; granting the right of eminent domain; increasing the powers and duties of the Department of Public Instruction; and providing that no debt of the Commonwealth shall be incurred in the exercise of any of the powers granted under this act; and making an appropriation to said Authority to pay expenses incident to its formation," as amended by the act, approved the twentieth day of April, one thousand nine hundred forty-nine (Pamphlet Laws 636), is hereby further amended to read as follows:

Section 9. Moneys of the Authority.--All moneys of the Authority from whatever source derived shall be paid to the treasurer of the Authority. Said moneys shall be deposited in the first instance by the treasurer in one or more banks or trust companies in one or more special accounts, and each of such special accounts shall be continuously secured by a pledge of direct obligations of the United States of America, or of the Commonwealth, having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such account. Such securities shall either be deposited with the treasurer, or be held by a trustee or agent satisfactory to the Authority. All banks and trust companies are authorized to give such security for such deposits. The moneys in said accounts shall be paid out on the warrant or other order of the treasurer of the Authority, or of other person or persons as it may authorize, to execute such warrants or orders. The Department of Revenue the Accountant General of the Commonwealth and its legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and books of the Authority, including its receipts, disbursements, contracts, leases, sinking funds, investments, and any other matters relating to its finances, operations and affairs. All moneys of the Authority, from whatever source derived, except such part thereof as may be required to pay the administrative and other costs of operating the Authority, as may be provided for in the resolution authorizing the issuance of the bonds or in the trust indenture, shall be set aside at such regular intervals as may be provided in such resolution or such trust indenture in a sinking fund, which is hereby pledged to, and charged with, the payment of (1) the interest upon such bonds as such interest shall fall due, (2) the principal of the bonds as the same shall fall due, (3) the necessary fiscal agency charges for paying principal and interest, and (4) any premium upon bonds retired by call or purchase, as herein provided. The use and disposition of such sinking fund shall be subject to such regulations as may be provided in the resolution authorizing the issuance of bonds or in the trust indenture, but except as may otherwise be provided in such resolution or trust indenture, such sinking fund shall be a fund for the benefit of all bonds issued hereunder, without distinction or priority of one over another. Subject to the provisions of the resolutions authorizing the issuance of bonds or of the trust indenture, any moneys in such sinking fund in excess of an amount equal to one year's interest on all bonds then outstanding may be applied to the purchase or redemption of bonds. All bonds so purchased or redeemed shall forthwith be cancelled and shall not again be issued.

APPENDIX A

BUDGETED EXPENDITURES OF THE COMMONWEALTH  
FOR THE BIENNIUM 1949-51

	Total	Department Operations	Grants and Subsidies School Districts	Other Subdivisions	Institutions	Needy Citizens	Construction and Reconstruction of Highways and Bridges	Special Projects	Debt Service
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
General Fund	725,129,273	116,765,804	251,520,800 <sup>a</sup>		146,622,813	160,000,000		32,000,000	18,219,856
Motor License Fund	290,539,952	10,000,000 24,850,000 13,640,000 245,000 120,000 25,000 1,484,352		20,000,000			10,000,000 200,150,000	250,000	9,775,580
Total Motor License Fund	290,539,952	50,364,372		20,000,000			210,150,000	250,000	9,775,580
Fish Fund	2,984,107	2,984,107							
Game Fund	7,158,804	7,158,804							
Banking Department Fund	1,575,057	1,575,057							
Milk Control Fund	373,700	373,700							
State Farm Products Fund	319,750	319,750							
Grand Totals	1,028,080,643	179,541,594	251,520,800	20,000,000	146,622,813	160,000,000	210,150,000	32,250,000	27,995,436

<sup>a</sup>Includes School Employes' Retirement

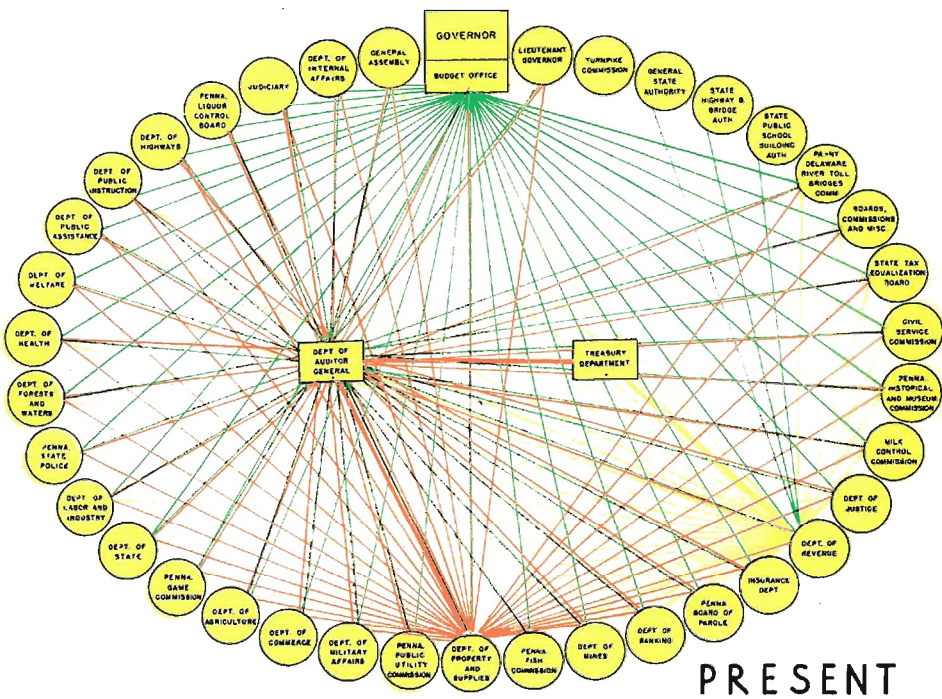
Source: Compiled from Budget Circular 100.

# FINANCIAL ACCOUNTABILITY FLOW CHARTS COMMONWEALTH OF PENNSYLVANIA

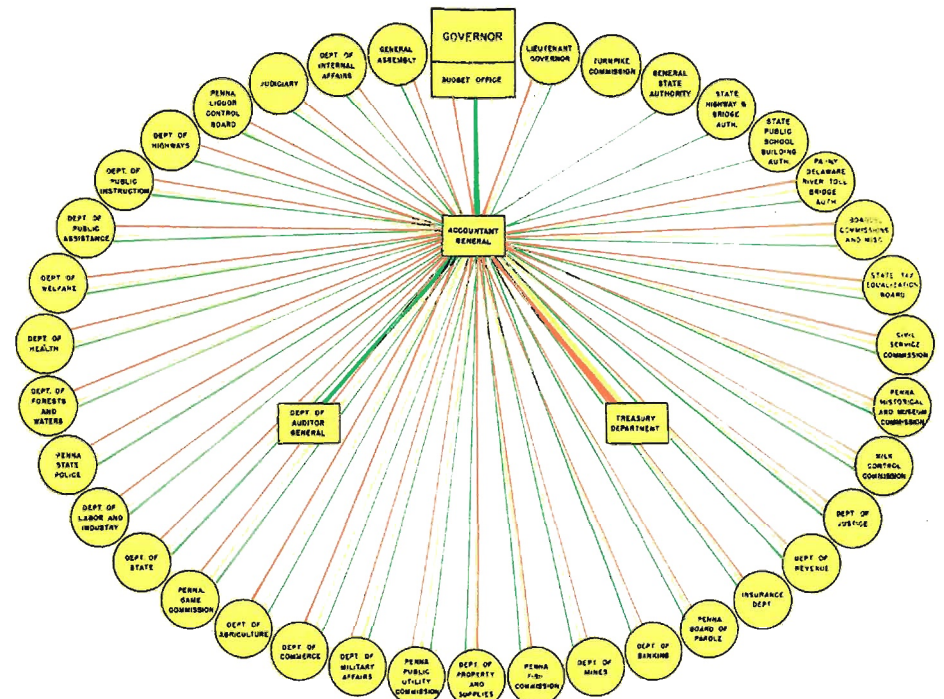
BY THE JOINT STATE GOVERNMENT COMMISSION

CHART I

CHART II



PRESENT



RECOMMENDED

LEGEND

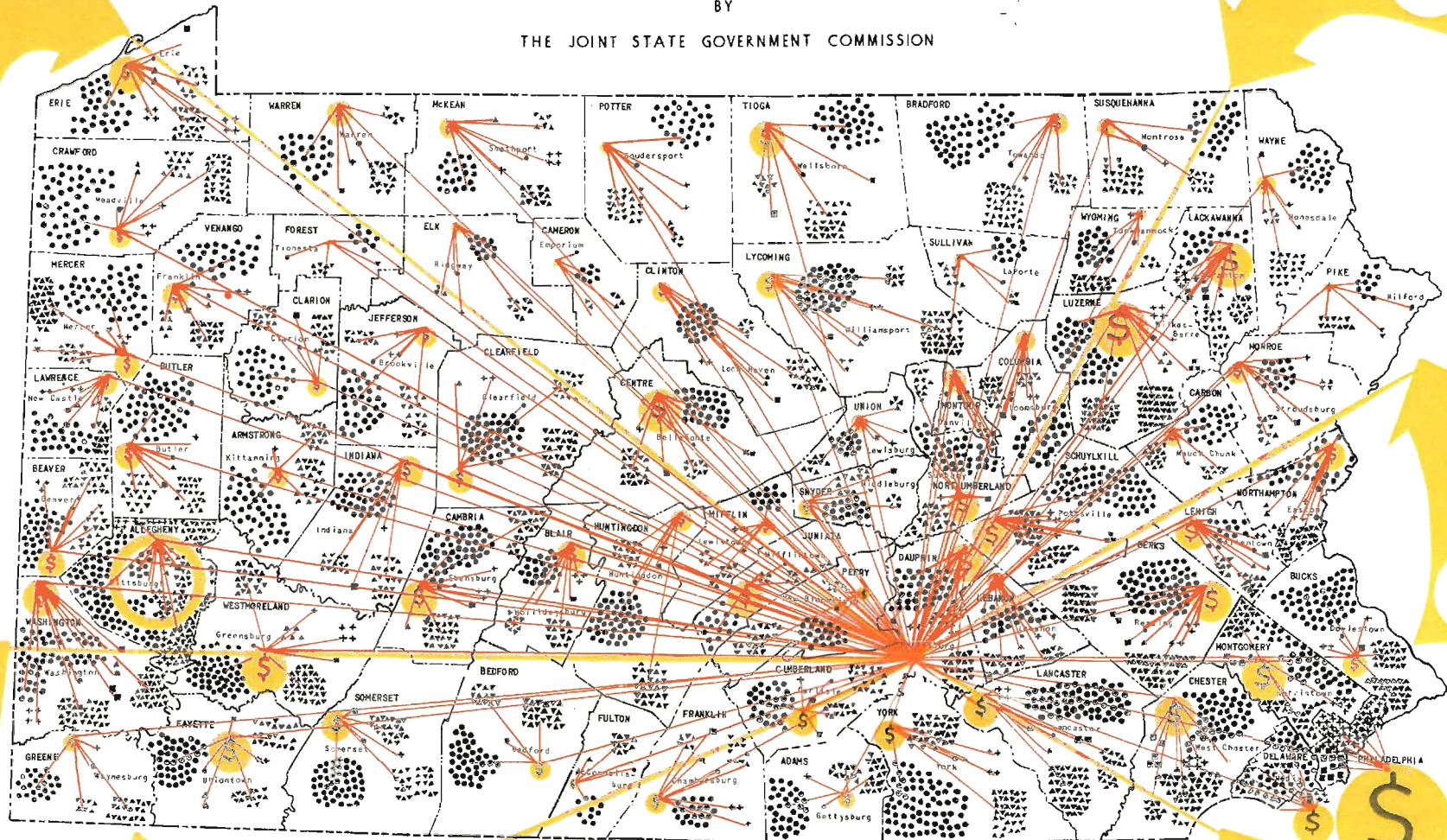
THESE CHARTS SHOW THE FLOW OF FINANCIAL ACCOUNTING FUNCTIONS AS THEY PRESENTLY EXIST AND AS RECOMMENDED FOR THE COMMONWEALTH. THE COLORED LINES SHOW THE FLOW OF THESE FUNCTIONS BETWEEN THE VARIOUS DEPARTMENTS. THE FUNCTIONS ARE IDENTIFIED AS FOLLOWS:

- BUDGETING OF RECEIPTS AND EXPENDITURES
- ACCOUNTING FOR REVENUES
- ACCOUNTING FOR DISBURSEMENTS
- AUDITING FINANCIAL ACCOUNTS

15

# ACCOUNTING SURVEY MAP

BY  
THE JOINT STATE GOVERNMENT COMMISSION



LICENSES AND FEES

MISCELLANEOUS REVENUES

FINES AND PENALTIES

FUNDS RECEIVED THROUGH COUNTIES

PAYMENTS FROM FEDERAL GOVERNMENT

BONUS, TAXES, PENALTIES AND INTEREST

SCALE: STATUTE MILES

- KEY
- County Seat
  - School Districts
  - ▲ Boroughs
  - ▲ Cities
  - ▲ Townships
  - Educational Institutions
  - Mental, Medical, & Penal Institutions
  - ✦ Medical Hospitals
  - ✦ Homes for Aged & Children
  - ⊙ Distribution by Counties

18

APPENDIX D

A TABULAR OUTLINE OF THE ACCOUNTING, BUDGETARY, AND AUDITING OFFICES IN THE FORTY-EIGHT STATES

SELECTED FUNCTIONS

STATE	GEN. EXPENDITURES FOR CREATION: CAPITOL. OUTLAYS: 410 TO LOCAL GOVT. 1/ 000,000	CONTROLLER OR SIMILAR OFFICE						BUDGET OFFICE						AUDITOR GENERAL					
		CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCT	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
CALIFORNIA	1031.8	CONSTITUTION	1878	ELECTED	4 YRS.	\$12,000	PRE-AUDIT ACCOUNTING	Division of Budgets and Accounts in Department of Finance CONSTITUTION GOVT. CODE	1879 1945	APPOINTED BY GOV.	SERVES AT PLEASURE OF GOV.	POST-AUDIT PRESERVE AND INSTALL SYSTEMS AND METHODS							
NEW YORK	1014.7	Department of Audits and Controls STATUTES CONSTITUTION STATUTES	1797 1848 B 1894 1928	ELECTED	4 YRS.	\$20,000	PRE-AUDIT ACCOUNTING PRESERVE AND INSTALL SYSTEMS AND METHODS	Division of the Budget in Education Department CONSTITUTION	1927	APPOINTED BY GOV.	SERVES AT PLEASURE OF GOV.								
OHIO	882.3	Department of Finance STATUTES	1937	APPT. BY GOV. WITH CONSENT OF SENATE	SERVES AT PLEASURE OF GOV.	\$ 8,686	PRE-AUDIT ACCOUNTING PRESERVE AND INSTALL SYSTEMS AND METHODS	Division of the Department of Finance					CONSTITUTION	1851	ELECTED	4 YRS.	\$ 6,300	POST-AUDIT	
PENNSYLVANIA	595.3			N O N E				STATUTES	1927	APPOINTED BY GOV.	SERVES AT PLEASURE OF GOV.	\$12,000	CONSTITUTION	1874	ELECTED	4 YRS.	\$15,000	PRE-AUDIT POST-AUDIT	
ILLINOIS	503.5	Division of Central Accounting in Department of Finance STATUTES	1943	APPT. BY DIRECTOR OF FIN.	SERVES AT PLEASURE OF DIR.	NOT AVAIL-ABLE *	PRE-AUDIT ACCOUNTING PRESERVE AND INSTALL SYSTEMS AND METHODS	Division of the Department of Finance CONSTITUTION	1846	ELECTED	4 YRS.	\$ 9,000	POST-AUDIT	CONSTITUTION	1848	ELECTED	4 YRS.	\$ 9,000	POST-AUDIT
MICHIGAN	528.8	STATUTES	1946	APPT. BY GOV. WITH CONSENT OF SEN.	SERVES AT PLEASURE OF GOV.	\$12,000	PRE-AUDIT ACCOUNTING PRESERVE AND INSTALL SYSTEMS AND METHODS	Division of the Department of Administration				\$10,000	CONSTITUTION	1908	ELECTED	2 YRS.	\$12,500	POST-AUDIT	
TEXAS	407.3	CONSTITUTION	1876	ELECTED	2 YRS.	\$ 6,000	PRE-AUDIT ACCOUNTING	Board of Control (Three Members) CONSTITUTION STATUTES	1919 1926	APPOINTED BY GOV.	5 YRS. OVER EACH LEGISLATIVE PERIOD	\$ 4,400	STATUTE	1929	APPT. BY LEGISLATIVE AUDIT COMM.	2 YRS.	\$10,000	POST-AUDIT PRESERVE AND INSTALL SYSTEMS AND METHODS	
LOUISIANA	350.2	Division of Administration in Governor's Office STATUTES	1948	APPOINTED BY GOV.	SERVES AT PLEASURE OF GOV.	\$ 7,500	PRE-AUDIT ACCOUNTING PRESERVE AND INSTALL SYSTEMS AND METHODS	Function of the Division of Administration					CONSTITUTION	1921	ELECTED	4 YRS.	\$ 7,500	POST-AUDIT	

APPENDIX D (Continued)

A TABULAR OUTLINE OF THE ACCOUNTING, BUDGETARY, AND AUDITING OFFICES IN THE FORTY-EIGHT STATES WITH SELECTED FUNCTIONS

STATE	GEN EXPENDITURES FOR OPERATION CAPITOL OUTLAYS AID TO LOCAL GOVT 1/ 000 000	COMPTROLLER OR SIMILAR OFFICE						BUDGET OFFICE						AUDITOR GENERAL					
		CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
WASHINGTON	296 8			N O N E				STATUTES REORG	1921 1947	APPOINTED BY GOV WITH CONSENT OF SENATE	SERVES AT PLEASURE OF GOV	\$ 8 500	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	CONSTITUTION	1889	ELECTED	4 YRS	\$ 8 500	POST AUDIT
MASSACHUSETTS	269 4	<i>Bureau in Commission on Administration and Finance</i>						<i>Bureau in Commission on Administration and Finance</i>											
		STATUTES	1922	APPOINTED BY GOV WITH CONSENT OF COUNCIL	4 YRS	\$ 9 000	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1922	APPOINTED BY GOV WITH CONSENT OF COUNCIL	SERVES AT PLEASURE OF GOV	\$ 9 000		CONSTITUTION	1780	ELECTED	2 YRS	\$ 7 000	POST AUDIT
WISCONSIN	241 1			N O N E				STATUTES REORG	1929 1947	APPOINTED BY GOV WITH CONSENT OF SENATE	6 YRS	\$ 9 000	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1947	APPOINTED BY GOV WITH CONSENT OF SENATE	6 YRS	\$ 9 000	POST AUDIT
NORTH CAROLINA	235 7			N O N E				STATUTES	1925	APPOINTED BY GOV	SERVES AT PLEASURE OF GOV	\$12 000	POST AUDIT OF TREASURER AND STATE AUDITOR	CONSTITUTION	1868	ELECTED	4 YRS	\$ 9 000	PRE AUDIT ACCOUNTING
INDIANA C/	224 2			N O N E				STATUTES	1947	APPOINTED BY GOV	SERVES AT PLEASURE OF GOV	\$ 8 500		CONSTITUTION	1851	ELECTED	2 YRS MAY SERVE ONLY 2 YRS IN ANY 6 YR PERIOD	\$ 7 500	PRE AUDIT ACCOUNTING
MISSOURI	221 3	<i>Division of Budget and Comptroller in Department of Revenue</i>						<i>BUDGET A FUNCTION OF THE COMPTROLLER</i>											
		CONSTITUTION	1945	APPOINTED BY DIR OF REV WITH CONSENT OF GOVERNOR	SERVES AT PLEASURE OF DIR OF REV	\$ 6 000	PRE AUDIT ACCOUNTING							CONSTITUTION	1945	ELECTED	4 YRS	\$ 7 500	POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS
OKLAHOMA	216 2	<i>Division of Central Accounting and Reporting in Budget Office</i>																	
							FUNCTIONS INCLUDED IN BUDGET OFFICE	STATUTES	1947	APPOINTED BY GOV	SERVES AT PLEASURE OF GOV	\$ 7 200	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	CONSTITUTION	1907	ELECTED	4 YRS	\$ 6 000	POST AUDIT
FLORIDA	214 6	CONSTITUTION	1885	ELECTED	4 YRS	\$10 000	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1921	APPTD BY BUDGET COMMISSION	SERVES AT PLEASURE OF COMMISSION	\$ 7 500		STATUTES	1927	APPOINTED BY GOV	4 YRS	\$ 7 500	POST AUDIT

APPENDIX D (Continued)

A TABULAR OUTLINE OF THE ACCOUNTING, BUDGETARY, AND AUDITING OFFICES IN THE FORTY-EIGHT STATES WITH SELECTED FUNCTIONS

STATE	GEN EXPENDITURES FOR OPERATION CAPITAL OUT LAYS AID TO LOCAL GOVT 1/ 000 000	COMPTROLLER OR SIMILAR OFFICE						BUDGET OFFICE						AUDITOR GENERAL					
		CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
MINNESOTA D/	201 3		N O N E					<i>Division of Department of Administration</i> STATUTES 1939 APPT BY GOV WITH CONSENT OF SENATE SERVES AT PLEASURE OF GOV \$ 8 500						CONSTITUTION 1857	ELECTED	4 YRS	\$ 8 700	PRE-AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	
TENNESSEE	195 8	<i>Department of Accounts</i> STATUTES 1939 DIRECTOR APPT BY GOVERNOR SERVES AT PLEASURE OF GOV NOT AVAIL-ABLE * PRE-AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS						STATUTES 1939 APPT BY GOVERNOR SERVES AT PLEASURE OF GOV \$ 7 800						<i>Controller of the Treasury</i> CONSTITUTION 1870 ELECTED BY JOINT VOTE OF GENERAL ASSEMBLY 2 YRS \$ 7 800 POST-AUDIT					
NEW JERSEY	192 5	<i>Division of Budget and Accounting in Department of Treasury</i> STATUTES 1948 APPT BY GOV WITH CONSENT OF SENATE SERVES AT PLEASURE OF GOV \$12 000 PRE-AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS						BUDGET A FUNCTION OF THE COMPTROLLER						STATUTES 1937	APPOINTED BY LEGISLATURE	5 YRS	\$ 9 000	POST-AUDIT	
IOWA	177 9	STATUTES 1933		APPT BY GOV WITH CONSENT OF SENATE	SERVES AT PLEASURE OF GOV	\$ 6 500	PRE-AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	BUDGET A FUNCTION OF THE COMPTROLLER						CONSTITUTION 1857	ELECTED	2 YRS	\$ 6 500	POST-AUDIT	
ALABAMA E/	174 1	<i>Division of Control and Accounts in Department of Finance</i> STATUTES 1939 APPT BY DIR OF FIN WITH APPROVAL OF GOVERNOR MERIT SYSTEM \$ 5 400 PRE-AUDIT ACCOUNTING						<i>Division of Department of Finance</i> STATUTES 1939 APPT BY DIR OF FIN WITH APPROVAL OF GOVERNOR MERIT SYSTEM \$ 4 800						CONSTITUTION 1901	ELECTED	4 YRS	\$ 4 800	POST-AUDIT E/	
VIRGINIA	170 3	STATUTES 1927		APPT BY GOV CONFIRMED BY GEN ASSEMBLY	SERVES AT PLEASURE OF GOV	\$ 7 500	PRE-AUDIT ACCOUNTING	STATUTES 1927	APPOINTED BY GOVERNOR	SERVES AT PLEASURE OF GOV	\$ 8 500			CONSTITUTION 1902	ELECTED BY GENERAL ASSEMBLY	4 YRS	\$ 8 370	POST-AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS	
GEORGIA	166 8	CONSTITUTION 1798 ORG 1945 REORG		ELECTED SINCE 1942	4 YRS	\$ 7 500	PRE-AUDIT ACCOUNTING	STATUTES 1931	GOVERNOR EX OFFICIO STATE AUDITOR ASSISTANT DIRECTOR		NOT AVAIL-ABLE *			STATUTES 1923 ORG 1943 REORG	ELECTED BY GENERAL ASSEMBLY	4 YRS	\$10 000	NOT AVAILABLE *	
MARYLAND	151 2	CONSTITUTION 1867		ELECTED	4 YRS	\$ 8 000	PRE-AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES 1939	APPOINTED BY GOVERNOR	SERVES AT PLEASURE OF GOV	\$ 9 000			STATUTES 1929	APPT BY GOV WITH CONSENT OF SENATE	4 YRS	\$ 9 000	POST-AUDIT	
OREGON F/	136 4		N O N E					<i>Governor's Executive Secretary</i> STATUTES 1927 APPOINTED BY GOVERNOR SERVES AT PLEASURE OF GOV \$ 7 200						<i>Secretary of State Acts as Auditor</i> CONSTITUTION 1859 ELECTED 4 YRS PRE-AUDIT ACCOUNTING POST-AUDIT					



APPENDIX D (Continued)

A TABULAR OUTLINE OF THE ACCOUNTING, BUDGETARY, AND AUDITING OFFICES IN THE FORTY-EIGHT STATES WITH SELECTED FUNCTIONS

STATE	GEN EXPENDITURES FOR OPERATION CAPITAL OUTLAYS AID TO LOCAL GOVT 1/ 000 000	COMPTROLLER OR SIMILAR OFFICE						BUDGET OFFICE						AUDITOR GENERAL						
		CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	
CONNECTICUT	135 7	CONSTITUTION	1818	ELECTED	2 YRS 1951 4 YRS	\$ 6 000	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1939	APPT BY GOV WITH CONSENT OF SENATE	4 YRS	\$ 8 000		STATUTES 2 AUDITORS	1930	APPT BY GENERAL ASSEMBLY	4 YRS OVER LAPPING TERMS	\$ 7 500	POST AUDIT PRE AUDIT ALL PAYROLLS	
KENTUCKY	128 7	<i>Division of Accounts and Control in Department of Finance</i> STATUTES 1936						<i>Division of Department of Finance</i> STATUTES 1936 REORG						CONSTITUTION 1891						
				APPT BY COMM OF FINANCE	SERVES AT PLEASURE OF COMM	NOT AVAIL ABLE *	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS			APPT BY COMM OF FINANCE	SERVES AT PLEASURE OF COMM	\$ 4 900				ELECTED	4 YRS	\$ 5 000	POST AUDIT	
SOUTH CAROLINA	126 6	CONSTITUTION	1895	ELECTED	4 YRS	\$ 7 500	PRE-AUDIT ACCOUNTING	STATUTES	1950	STATE BUDGET AND CONTROL BOARD MADE UP OF GOVERNOR STATE TREASURER COMPTROLLER GENERAL CHAIRMAN OF SENATE FINANCE COMMITTEE CHAIRMAN OF WAYS AND MEANS COMMITTEE OF HOUSE OF REPRESENTATIVES AUDITOR SECRETARY TO BUDGET COMMISSIONER			PER DIEM AND EXPENSES	PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1942	APPT BY BUDGET AND CONTROL BD	SERVES AT PLEASURE OF BUDGET AND CONTROL BD	\$ 7 200	POST AUDIT
COLORADO	126 2	<i>Division of Accounts and Control in Executive Department</i> STATUTES						BUDGET A FUNCTION OF THE COMPTROLLER						CONSTITUTION 1876						
				APPT BY GOVERNOR	SERVES AT PLEASURE OF GOV	\$ 6 750	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS									ELECTED	2 YRS	\$ 6 000	POST AUDIT	
WEST VIRGINIA G/	125 0	N O N E						<i>Director of Budget under Board of Public Works</i> STATUTES 1939						CONSTITUTION 1872						
										APPT BY GOVERNOR	SERVES AT PLEASURE OF GOV	\$ 6 000	PRESCRIBE SYSTEMS AND METHODS			ELECTED	4 YRS	\$ 6 000	PRE AUDIT POST-AUDIT TAX COMMISSIONER	
MISSISSIPPI	123 7	N O N E						<i>Budget Commission</i> BUDGET PREPARED BY STATE TAX COMMISSIONER WHO IS A MEMBER OF THE BUDGET COMMISSION						CONSTITUTION 1890						
																ELECTED	4 YRS	\$ 7 500	PRE AUDIT POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS	
KANSAS	123 0	N O N E						STATUTES 1935 ORG 1945 REORG						CONSTITUTION 1861						
										APPT BY GOV WITH CONSENT OF SENATE	SERVES AT PLEASURE OF GOV	\$ 6 500	POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS			ELECTED	2 YRS	\$ 4 000	PRE AUDIT PRE AUDIT	
ARKANSAS	105 0	STATUTES	1917 ORG 1933 REORG	APPT BY GOVERNOR	SERVES AT PLEASURE OF GOV	\$ 5 000	POST-AUDIT PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	BUDGET A FUNCTION OF THE COMPTROLLER						CONSTITUTION 1874						
																ELECTED	2 YRS	\$ 5 000	PRE AUDIT ACCOUNTING	
NEBRASKA	73 9	N O N E						<i>Office of Budget and State Tax Commissioner Combined</i> STATUTES 1920 ORG 1943 REORG						CONSTITUTION 1875						
										APPT BY GOV WITH APPROVAL OF GEN ASS	2 YRS	\$ 5 000	POST-AUDIT PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS			ELECTED	2 YRS	\$ 5 000	PRE AUDIT ACCOUNTING	

APPENDIX D (Continued)

A TABULAR OUTLINE OF THE ACCOUNTING, BUDGETARY, AND AUDITING OFFICES IN THE FORTY-EIGHT STATES WITH SELECTED FUNCTIONS

STATE	GEN EXPENDITURES FOR OPERATION CAPITAL OUTLAYS AID TO LOCAL GOVT 1/ 000 000	COMPTROLLER OR SIMILAR OFFICE						BUDGET OFFICE						AUDITOR GENERAL							
		CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)		
ARIZONA	67 2			N O N E				GOVERNOR IS BUDGET OFFICER						CONSTITUTION	1912	ELECTED	2 YRS	\$ 6 000	PRE AUDIT ACCOUNTING POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS		
UTAH	65 1	<i>Commission of Finance (Three Members)</i>						<i>Budget a Function of the Commission of Finance</i>						CONSTITUTION	1901	ELECTED	2 YRS	\$ 4 800	POST AUDIT		
		STATUTES	1941	APPT BY GOVERNOR	6 YRS OVER LAPPING TERMS	\$ 4 500 EACH	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1941	APPT BY COMM OF FIN WITH APPROVAL OF GOV	SERVES AT PLEASURE OF GOV	\$ 4 380									
NEW MEXICO	62 3	STATUTES	1923	APPT BY GOVERNOR		\$ 7 200	POST AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1947	APPT BY GOV WITH APPROVAL OF STATE BD OF FINANCE		\$ 6 600		CONSTITUTION	1912	ELECTED	2 YRS	\$ 6 000	PRE AUDIT		
MAINE	61 3	<i>Bureau of Accounts and Control in Department of Finance</i>						<i>Budget Prepared by Commissioner of Finance</i>						STATUTES	1931	ELECTED BY GEN ASSEMBLY	4 YRS	\$ 6 000	POST AUDIT		
		STATUTES	1944	APPT BY COMM OF FINL WITH APPROVAL OF GOV & COUNCIL	SERVES AT PLEASURE OF COMM OF FIN		PRE-AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS														
MONTANA H/	47 3			N O N E				<i>Board of Examiners, Governor, Secretary of State, Attorney General</i>						CONSTITUTION	1889	ELECTED	4 YRS	\$ 5 000	PRE AUDIT ACCOUNTING WITH TREASURY		
								<i>Budget Prepared by Staff of Board</i>													
RHODE ISLAND	46 3	<i>Bureau of Accounting and Control in Department of Coordination and Finance</i>						<i>Bureau of Budget in Department of Coordination and Finance</i>						<i>Finance Committee of the House of Representatives Finance</i>							
		STATUTES	1940	APPT BY DIR OF COORDINATION AND FIN WITH APPROVAL OF GOV	SERVES AT PLEASURE OF DIR	\$ 6 360	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS	STATUTES	1940	APPT BY DIR OF COORDINATION AND FIN WITH APPROVAL OF GOV	SERVES AT PLEASURE OF DIR	\$ 8 880								POST AUDIT	
NORTH DAKOTA I/	44 7			N O N E				<i>Budget Board, Governor, Chairmen of Appropriation Committee of each House, State Auditor, Attorney General</i>						CONSTITUTION	1889	ELECTED	2 YRS	\$ 6 600	PRE AUDIT ACCOUNTING		
								STATUTES	1943	APPT BY BUDGET BOARD	3 YRS	\$ 3 300									
SOUTH DAKOTA	44 2	STATUTES	1943	APPT BY GENERAL ASSEMBLY	8 YRS	\$ 3 600	PRE AUDIT ACCOUNTING POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS	GOVERNOR CHIEF BUDGET OFFICER SECRETARY OF FINANCE PREPARES BUDGET						CONSTITUTION	1889	ELECTED	2 YRS	\$ 4 800	PRE AUDITS AND POST AUDITS CONTROLLER S DEPARTMENT		

APPENDIX D (Continued)

A TABULAR OUTLINE OF THE ACCOUNTING, BUDGETARY, AND AUDITING OFFICES IN THE FORTY-EIGHT STATES WITH SELECTED FUNCTIONS

STATE	GEN EXPENDITURES FOR OPERATION CAPITAL OUTLAYS AND TO LOCAL GOVT 1/ 000 000	COMPTROLLER OR SIMILAR OFFICE						BUDGET OFFICE						AUDITOR GENERAL									
		CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS	CREATION OF OFFICE	DATE OF ESTABLISHMENT OF OFFICE 2/	ELECTED OR APPOINTED	TERM OF OFFICE	SALARY PER YEAR	SELECTED FUNCTIONS				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)				
IDAHO	41 3	<i>Bureau of Public Accounts in Governor's Office</i>						STATUTES	1929	APPT BY GOVERNOR	SERVES AT PLEASURE OF GOV	\$ 4 800		CONSTITUTION	1890	ELECTED	4 YRS	\$ 4 000	PRE AUDIT ACCOUNTING PRESCRIBE AND INSTALL SYSTEMS AND METHODS				
NEW HAMPSHIRE	37 5	<i>Governor's Office</i>						STATUTES	1931	APPT BY GOV WITH CONSENT OF COUNCIL	4 YRS	\$ 6 500	PRE AUDIT ACCOUNTING POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS	BUDGET A FUNCTION OF THE COMPTROLLER						N	O	N	E
WYOMING	29 2	N O N E						GOVERNOR CHIEF BUDGET OFFICER						CONSTITUTION	1890	ELECTED	4 YRS	\$ 6 800	PRE-AUDIT ACCOUNTING				
VERMONT	28 6	N O N E						GOVERNOR - CHIEF BUDGET OFFICER						CONSTITUTION	1793	ELECTED	2 YRS	\$ 5 500	PRE AUDIT ACCOUNTING POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS				
DELAWARE	26 3	N O N E						STATUTES	1939	APPOINTED BY BUDGET COMMISSIONER	SERVES AT PLEASURE OF COMM	\$ 6 000		CONSTITUTION	1897	ELECTED	2 YRS	\$ 6 000	PRE AUDIT ACCOUNTING POST AUDIT				
NEVADA	17 5	CONSTITUTION	1864	ELECTED	4 YRS	\$ 4 800	PRE AUDIT ACCOUNTING	STATUTES	1921	APPOINTED BY GOV	SERVES AT PLEASURE OF GOV	\$ 5 700		STATUTES	1949	APPT BY LEGISLATIVE COUNCIL BUR	SERVES AT PLEASURE OF BUR	\$ 4 800	POST AUDIT PRESCRIBE AND INSTALL SYSTEMS AND METHODS				

SOURCE THE BOOK OF THE STATES (CHICAGO THE COUNCIL OF STATE GOVERNMENTS 1950 51) THE CONSTITUTIONS OF EACH OF THE FORTY EIGHT STATES STATE STATUTES AFFECTING ACCOUNTING BUDGETARY AND AUDITING FUNCTIONS STATE BUDGETS ANNUAL FINANCIAL REPORTS APPROPRIATION ACTS AND STATE ADMINISTRATIVE ORGANIZATION CHARTS

1/ COMPENDIUM OF STATE GOVERNMENT FINANCES IN 1949 UNITED STATES DEPARTMENT OF COMMERCE BUREAU OF THE CENSUS (WASHINGTON STATE GOVERNMENT PRINTING OFFICE 1949) PAGE 19

2/ BASED ON DATES OF STATUTES OR CONSTITUTION IN EFFECT IN 1950

\* INFORMATION NOT SHOWN ON MATERIAL AVAILABLE

A/ NO CONSTITUTIONAL OR STATUTORY OFFICE TO CONDUCT POST AUDITS

B/ GOVERNOR IS DIRECTED TO PRESCRIBE AND INSTALL METHODS OF BOOKKEEPING AND ACCOUNTING AFTER CONSULTING WITH AUDITOR GENERAL

C/ STATE BOARD OF ACCOUNTS (APPOINTED BY GOVERNOR) POST AUDITS PRESCRIBES AND INSTALLS SYSTEMS AND METHODS

D/ THE DEPARTMENT OF PUBLIC EXAMINER (APPOINTED BY GOVERNOR WITH CONSENT OF SENATE) POST AUDITS

E/ AUDITOR POST AUDITS THE DEPARTMENT OF FINANCE AND THE STATE TREASURER DEPARTMENT OF PUBLIC EXAMINER (APPOINTED BY LEGISLATIVE COMMITTEE ON PUBLIC ACCOUNTS WITH CONSENT OF SENATE) POST AUDITS THE STATE DEPARTMENTS AND PRESCRIBES AND INSTALLS SYSTEMS AND METHODS

F/ BOARD OF CONTROL (GOVERNOR SECRETARY OF STATE STATE TREASURER) PRESCRIBES AND INSTALLS SYSTEMS AND METHODS

G/ BOARD OF PUBLIC WORKS (GOVERNOR SECRETARY OF STATE AUDITOR SUPERINTENDENT OF FREE SCHOOLS TREASURER ATTORNEY GENERAL AND COMMISSIONER OF AGRICULTURE) PRESCRIBES SYSTEMS AND METHODS OF ACCOUNTING STATE TAX COMMISSION INSTALLS SYSTEMS AND METHODS AND POST AUDITS ALL DEPARTMENTS THE BOARD OF PUBLIC WORKS AND THE STATE AUDITOR PRE AUDIT EXPENDITURES NO CENTRALIZATION OF ACCOUNTING

H/ STATE EXAMINER (APPOINTED BY GOVERNOR WITH CONSENT OF SENATE) POST AUDITS ALL BOOKS AND ACCOUNTS OF THE STATE

I/ BOARD OF AUDITORS (SECRETARY OF STATE STATE AUDITOR AND ATTORNEY GENERAL) POST AUDITS SPECIFIC DEPARTMENTS AS PROVIDED BY THE STATUTES

COMMONWEALTH OF PENNSYLVANIA  
COMPARATIVE STATEMENT OF REVENUES TO FEBRUARY 28 1951

FUNDS AND AUTHORITIES	QUARTER ENDING		BIENNIUM TO DATE		COMPARISON TO 1949-51 BUDGET	
	FEBRUARY 1951	FEBRUARY 1950	1951	1949	BUDGET TO DATE	UNDER (OVER) BUDGET
<u>OPERATING FUNDS</u>						
GENERAL	_____	_____	_____	_____	_____	_____
MOTOR LICENSE	_____	_____	_____	_____	_____	_____
BANKING DEPARTMENT	_____	_____	_____	_____	_____	_____
FEDERAL SOCIAL SECURITY	_____	_____	_____	_____	_____	_____
FEDERAL UNEMPLOYMENT RELIEF	_____	_____	_____	_____	_____	_____
FISH	_____	_____	_____	_____	_____	_____
FLOOD CONTROL	_____	_____	_____	_____	_____	_____
GAME	_____	_____	_____	_____	_____	_____
MILK CONTROL	_____	_____	_____	_____	_____	_____
PURCHASING	_____	_____	_____	_____	_____	_____
STATE FARM PRODUCTS SHOW	_____	_____	_____	_____	_____	_____
STATE RESTAURANT	_____	_____	_____	_____	_____	_____
STATE STORES	_____	_____	_____	_____	_____	_____
VETERANS' COMPENSATION	_____	_____	_____	_____	_____	_____
TOTAL OPERATING	=====	=====	=====	=====	=====	=====
<u>CUSTODIAL FUNDS</u>						
AGRICULTURAL COLLEGE LAND SCRIP	_____	_____	_____	_____	_____	_____
BITUMINOUS COAL OPEN PIT MINING RECLAMATION	_____	_____	_____	_____	_____	_____
CONRAD WEISER MEMORIAL PARK	_____	_____	_____	_____	_____	_____
EMPLOYMENT FUND FOR THE BLIND	_____	_____	_____	_____	_____	_____
EPHRATA CLOISTER	_____	_____	_____	_____	_____	_____
FEDERAL REHABILITATION	_____	_____	_____	_____	_____	_____
FEDERAL VOCATIONAL EDUCATION	_____	_____	_____	_____	_____	_____
FIRE INSURANCE TAX	_____	_____	_____	_____	_____	_____
LIQUID FUELS TAX	_____	_____	_____	_____	_____	_____
LIQUOR LICENSE	_____	_____	_____	_____	_____	_____
MANUFACTURING	_____	_____	_____	_____	_____	_____
MUTUAL WORKMEN S COMPENSATION SECURITY	_____	_____	_____	_____	_____	_____
PENNSYLVANIA HISTORICAL COMMISSION TRUST	_____	_____	_____	_____	_____	_____
SCHOOL EMPLOYEES RETIREMENT	_____	_____	_____	_____	_____	_____
SINKING	_____	_____	_____	_____	_____	_____
STATE COLLEGE EXPERIMENTAL FARM	_____	_____	_____	_____	_____	_____
STATE EMPLOYEES RETIREMENT	_____	_____	_____	_____	_____	_____
STATE INSURANCE	_____	_____	_____	_____	_____	_____
STATE SCHOOL	_____	_____	_____	_____	_____	_____
STATE WORKMEN S INSURANCE	_____	_____	_____	_____	_____	_____
STATE WORK RELIEF COMPENSATION	_____	_____	_____	_____	_____	_____
STOCK WORKMEN S COMPENSATION SECURITY	_____	_____	_____	_____	_____	_____
VETERANS COMPENSATION SINKING	_____	_____	_____	_____	_____	_____
VOCATIONAL REHABILITATION	_____	_____	_____	_____	_____	_____
UNEMPLOYMENT COMPENSATION - ADMINISTRATION	_____	_____	_____	_____	_____	_____
SPECIAL ADMINISTRATION	_____	_____	_____	_____	_____	_____
UNEMPLOYMENT COMPENSATION - BENEFIT PAYMENT	_____	_____	_____	_____	_____	_____
UNEMPLOYMENT COMPENSATION - CONTRIBUTION	_____	_____	_____	_____	_____	_____
WITHHOLDING TAX	_____	_____	_____	_____	_____	_____
TOTAL CUSTODIAL	=====	=====	=====	=====	=====	=====
<u>AUTHORITIES</u>						
GENERAL STATE AUTHORITY	_____	_____	_____	_____	_____	_____
STATE HIGHWAY AND BRIDGE AUTHORITY	_____	_____	_____	_____	_____	_____
STATE PUBLIC SCHOOL BUILDING AUTHORITY	_____	_____	_____	_____	_____	_____
TOTAL AUTHORITIES	=====	=====	=====	=====	=====	=====
GRAND TOTALS	=====	=====	=====	=====	=====	=====

COMMONWEALTH OF PENNSYLVANIA  
COMPARATIVE STATEMENT OF EXPENDITURES TO FEBRUARY 28 1951

FUNDS AND AUTHORITIES	QUARTER ENDING		BIENNIUM TO DATE		COMPARISON TO 1949-51 BUDGET	
	FEBRUARY 1951	FEBRUARY 1950	1951	1949	BUDGET TO DATE	UNDER (OVER) BUDGET
<u>OPERATING FUNDS</u>						
GENERAL	_____	_____	_____	_____	_____	_____
MOTOR LICENSE	_____	_____	_____	_____	_____	_____
BANKING DEPARTMENT	_____	_____	_____	_____	_____	_____
FEDERAL SOCIAL SECURITY	_____	_____	_____	_____	_____	_____
FEDERAL UNEMPLOYMENT RELIEF	_____	_____	_____	_____	_____	_____
FISH	_____	_____	_____	_____	_____	_____
FLOOD CONTROL	_____	_____	_____	_____	_____	_____
GAME	_____	_____	_____	_____	_____	_____
MILK CONTROL	_____	_____	_____	_____	_____	_____
PURCHASING	_____	_____	_____	_____	_____	_____
STATE FARM PRODUCTS SHOW	_____	_____	_____	_____	_____	_____
STATE RESTAURANT	_____	_____	_____	_____	_____	_____
STATE STORES	_____	_____	_____	_____	_____	_____
VETERANS COMPENSATION	_____	_____	_____	_____	_____	_____
TOTAL OPERATING	=====	=====	=====	=====	=====	=====
<u>CUSTODIAL FUNDS</u>						
AGRICULTURAL COLLEGE LAND SCRIP	_____	_____	_____	_____	_____	_____
BITUMINOUS COAL OPEN PIT MINING RECLAMATION	_____	_____	_____	_____	_____	_____
CONRAD WEISER MEMORIAL PARK	_____	_____	_____	_____	_____	_____
EMPLOYMENT FUND FOR THE BLIND	_____	_____	_____	_____	_____	_____
EPHRATA CLOISTER	_____	_____	_____	_____	_____	_____
FEDERAL REHABILITATION	_____	_____	_____	_____	_____	_____
FEDERAL VOCATIONAL EDUCATION	_____	_____	_____	_____	_____	_____
FIRE INSURANCE TAX	_____	_____	_____	_____	_____	_____
LIQUID FUELS TAX	_____	_____	_____	_____	_____	_____
LIQUOR LICENSE	_____	_____	_____	_____	_____	_____
MANUFACTURING	_____	_____	_____	_____	_____	_____
MUTUAL WORKMEN S COMPENSATION SECURITY	_____	_____	_____	_____	_____	_____
PENNSYLVANIA HISTORICAL COMMISSION TRUST	_____	_____	_____	_____	_____	_____
SCHOOL EMPLOYES RETIREMENT	_____	_____	_____	_____	_____	_____
SINKING	_____	_____	_____	_____	_____	_____
STATE COLLEGE EXPERIMENTAL FARM	_____	_____	_____	_____	_____	_____
STATE EMPLOYES RETIREMENT	_____	_____	_____	_____	_____	_____
STATE INSURANCE	_____	_____	_____	_____	_____	_____
STATE SCHOOL	_____	_____	_____	_____	_____	_____
STATE WORKMEN S INSURANCE	_____	_____	_____	_____	_____	_____
STATE WORK RELIEF COMPENSATION	_____	_____	_____	_____	_____	_____
STOCK WORKMEN S COMPENSATION SECURITY	_____	_____	_____	_____	_____	_____
VETERANS COMPENSATION SINKING	_____	_____	_____	_____	_____	_____
VOCATIONAL REHABILITATION	_____	_____	_____	_____	_____	_____
UNEMPLOYMENT COMPENSATION ADMINISTRATION	_____	_____	_____	_____	_____	_____
SPECIAL ADMINISTRATION	_____	_____	_____	_____	_____	_____
UNEMPLOYMENT COMPENSATION BENEFIT PAYMENT	_____	_____	_____	_____	_____	_____
UNEMPLOYMENT COMPENSATION CONTRIBUTION	_____	_____	_____	_____	_____	_____
WITHHOLDING TAX	_____	_____	_____	_____	_____	_____
TOTAL CUSTODIAL	=====	=====	=====	=====	=====	=====
<u>AUTHORITIES</u>						
GENERAL STATE AUTHORITY	_____	_____	_____	_____	_____	_____
STATE HIGHWAY AND BRIDGE AUTHORITY	_____	_____	_____	_____	_____	_____
STATE PUBLIC SCHOOL BUILDING AUTHORITY	_____	_____	_____	_____	_____	_____
TOTAL AUTHORITIES	=====	=====	=====	=====	=====	=====
GRAND TOTALS	=====	=====	=====	=====	=====	=====

COMMONWEALTH OF PENNSYLVANIA

COMBINED BALANCE SHEETS - FEBRUARY 28 1951 AND 1950

ASSETS	FEBRUARY 28 1951				FEBRUARY 28 1950			
	OPERATING	CUSTODIAL	AUTHORITIES	TOTAL	OPERATING	CUSTODIAL	AUTHORITIES	TOTAL
<b>CASH AND CASH ITEMS</b>								
BANK BALANCES								
CASH IN TRANSIT								
IMPREST CASH FUNDS								
TEMPORARY CASH INVESTMENTS								
TOTAL CASH AND CASH ITEMS								
<b>ACCOUNTS AND CLAIMS RECEIVABLE</b>								
U S GOVERNMENT								
LOCAL GOVERNMENT UNITS								
STATE INSTITUTIONS								
TAXES								
OTHER								
TOTAL ACCOUNTS AND CLAIMS RECEIVABLE								
<b>INVENTORIES OF SUPPLIES</b>								
HIGHWAY DEPARTMENT								
OTHERS								
TOTAL INVENTORIES OF SUPPLIES								
<b>INVESTMENTS</b>								
LIQUOR CONTROL BOARD								
COMMONWEALTH BONDS								
U S GOVERNMENT SECURITIES								
TOTAL INVESTMENTS								
<b>OTHER RECOGNIZED ASSETS</b>								
ADVANCES TO LOCAL GOVERNMENTS								
ADVANCES TO OTHER AGENCIES								
TOTAL OTHER RECOGNIZED ASSETS								
<b>FUTURE RESERVES REQUIRED</b>								
TO MEET CURRENT APPROPRIATIONS								
TO RETIRE FUNDED DEBT								
TOTAL FUTURE RESERVES REQUIRED								
<b>TOTAL ASSETS</b>								

COMMONWEALTH OF PENNSYLVANIA

COMBINED BALANCE SHEETS - FEBRUARY 28 1951 AND 1950

LIABILITIES	FEBRUARY 28 1951				FEBRUARY 28 1950			
	OPERATING	CUSTODIAL	AUTHORITIES	TOTAL	OPERATING	CUSTODIAL	AUTHORITIES	TOTAL
<b>CURRENT LIABILITIES</b>								
APPROVED REQUISITIONS UNPAID								
ACCOUNTS PAYABLE FOR SUPPLIES AND SERVICES RENDERED								
COMMITMENTS FOR SUPPLIES AND SERVICES NOT YET RENDERED								
ACCRUED INTEREST								
ACCRUED RENTALS								
OTHER CURRENT LIABILITIES								
<b>TOTAL CURRENT LIABILITIES</b>								
REVENUES RECEIVED IN ADVANCE								
UNENCUMBERED APPROPRIATION BALANCES								
OTHER LIABILITIES								
<b>FUNDED DEBT</b>								
<b>TOTAL LIABILITIES</b>								
AVAILABLE SURPLUS								
<b>TOTAL LIABILITIES AND SURPLUS</b>								