
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1202 Session of
2021

INTRODUCED BY RYAN, HILL-EVANS, IRVIN, GROVE, KAUFFMAN, KEEFER,
B. MILLER, GLEIM AND GILLEN, APRIL 16, 2021

REFERRED TO COMMITTEE ON FINANCE, APRIL 16, 2021

AN ACT

1 Amending Title 72 (Taxation and Fiscal Affairs) of the
2 Pennsylvania Consolidated Statutes, providing for preliminary
3 provisions, for taxation and for fiscal affairs; and
4 establishing a uniform accounting system.

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

7 Section 1. Title 72 of the Pennsylvania Consolidated
8 Statutes is amended by adding parts to read:

9 PART I

10 PRELIMINARY PROVISIONS

11 (Reserved)

12 PART II

13 TAXATION

14 Chapter

15 17. (Reserved)

16 CHAPTER 17

17 (Reserved)

18 PART III

19 FISCAL AFFAIRS

1 Chapter

2 100. Uniform Accounting System

3 CHAPTER 100

4 UNIFORM ACCOUNTING SYSTEM

5 Subchapter

6 A. General Provisions

7 B. Methods

8 SUBCHAPTER A

9 GENERAL PROVISIONS

10 Sec.

11 10001. Scope of chapter.

12 10002. Definitions.

13 § 10001. Scope of chapter.

14 This chapter relates to uniform accounting.

15 § 10002. Definitions.

16 The following words and phrases when used in this chapter
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 "Commonwealth agency." A department, board, commission or
20 office of the executive branch under the policy supervision and
21 control of the Governor.

22 "Department." The Department of the Auditor General of the
23 Commonwealth.

24 "Political subdivision." A county, city, borough,
25 incorporated town, township, home rule municipality or school
26 district in this Commonwealth.

27 "Report." The Commonwealth annual financial report under
28 section 10012 (relating to Commonwealth annual financial
29 report).

30 "Secretary." The Secretary of the Budget of the

1 Commonwealth.

2 SUBCHAPTER B

3 METHODS

4 Sec.

5 10011. Duties of Commonwealth agencies and political
6 subdivisions.

7 10012. Commonwealth annual financial report.

8 10013. Uniform standards for audits.

9 10014. Uniform accounting terms and definitions.

10 § 10011. Duties of Commonwealth agencies and political
11 subdivisions.

12 (a) Duties.--In preparing accounting, financial and budget
13 documents, a Commonwealth agency or political subdivision shall
14 act in accordance with the following:

15 (1) The Commonwealth agency or political subdivision
16 shall comply with generally accepted accounting principles,
17 such as those established by the Governmental Accounting
18 Standards Board and the American Institute of Certified
19 Public Accountants if other comprehensive audit standards are
20 used.

21 (2) The accounting, financial and budget documents shall
22 be based on the fiscal year as specified by the laws of this
23 Commonwealth or an ordinance requiring the preparation of the
24 documents.

25 (3) The Commonwealth agency or political subdivision
26 shall use the full accrual accounting method and account for
27 revenue and expenditures as the revenue and expenditures
28 occur.

29 (4) The Commonwealth agency or political subdivision
30 shall use the uniform accounting terms, definitions and

1 procedures established under section 10014 (relating to
2 uniform accounting terms and definitions) and ensure a
3 uniform accounting system.

4 (b) Extensible business reporting language.--No later than a
5 Commonwealth agency's or political subdivision's fiscal year
6 beginning in 2022 and every fiscal year thereafter, the
7 Commonwealth agency and political subdivision shall use
8 extensible business reporting language for all financial
9 documentation.

10 § 10012. Commonwealth annual financial report.

11 (a) General rule.--The secretary shall prepare a
12 Commonwealth annual financial report in accordance with this
13 section.

14 (b) Duty of secretary.--The secretary shall develop and
15 implement accounting and financial reporting systems that comply
16 with applicable standards, such as those established by the
17 Governmental Accounting Standards Board. The accounting and
18 financial reporting systems must:

19 (1) Demonstrate compliance with all legal requirements
20 and contractual obligations.

21 (2) Provide for adequate and proper management over
22 Commonwealth resources, property and other assets.

23 (3) Provide complete and appropriate information to the
24 Governor and the General Assembly to assist in their duties
25 of financial management of Commonwealth funds.

26 (4) Provide information on whether a Commonwealth agency
27 has met the performance goals established by the respective
28 Commonwealth agency.

29 (c) Duties of Commonwealth agencies.--Commonwealth agencies
30 shall provide the Office of the Budget with information

1 requested by the secretary for use in preparing the report no
2 later than September 1, 2022, and September 1 of each calendar
3 year thereafter.

4 (d) Final report.--The secretary shall provide to the
5 Governor and the General Assembly a final report by March 1,
6 2023, and March 1 of each calendar year thereafter.

7 § 10013. Uniform standards for audits.

8 Audits conducted by the department, by another Commonwealth
9 agency or by a political subdivision shall comply with all of
10 the following:

11 (1) The generally accepted government auditing
12 standards, such as those produced by the Government
13 Accountability Office.

14 (2) The Single Audit Act of 1984 (31 U.S.C. § 7501 et
15 seq.).

16 (3) 2 C.F.R. Pt. 200 (relating to Uniform Administrative
17 Requirements, Cost Principles and Audit Requirements for
18 Federal Awards).

19 (4) Any other Federal requirements for a Statewide
20 audit.

21 § 10014. Uniform accounting terms and definitions.

22 (a) General rule.--One year after the effective date of this
23 chapter and triennially thereafter the department, in
24 conjunction with the State Treasurer, the Office of the Budget
25 and representatives from political subdivisions selected by the
26 department in an equal and fair manner, shall establish uniform
27 accounting terms and procedures for Commonwealth agencies and
28 political subdivisions to implement section 10011 (relating to
29 duties of Commonwealth agencies and political subdivisions) and
30 ensure a uniform accounting system.

1 (b) Publication.--The uniform terms and definitions under
2 subsection (a) shall be transmitted by the department to the
3 Legislative Reference Bureau for publication in the Pennsylvania
4 Bulletin.

5 Section 2. This act shall take effect in 60 days.