

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL****No. 1337**Session of  
1969INTRODUCED BY MESSRS. IRVIS, FINEMAN AND PRENDERGAST,  
JUNE 18, 1969AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
JUNE 30, 1969

## AN ACT

1 Amending the act of April 9, 1929 (P. L. 343), entitled "An act  
2 relating to the finances of the State government; providing  
3 for the settlement, assessment, collection, and lien of  
4 taxes, bonus, and all other accounts due the Commonwealth,  
5 the collection and recovery of fees and other money or  
6 property due or belonging to the Commonwealth, or any agency  
7 thereof, including escheated property and the proceeds of its  
8 sale, the custody and disbursement or other disposition of  
9 funds and securities belonging to or in the possession of the  
10 Commonwealth, and the settlement of claims against the  
11 Commonwealth, the resettlement of accounts and appeals to the  
12 courts, refunds of moneys erroneously paid to the  
13 Commonwealth, auditing the accounts of the Commonwealth and  
14 all agencies thereof, of all public officers collecting  
15 moneys payable to the Commonwealth, or any agency thereof,  
16 and all receipts of appropriations from the Commonwealth and  
17 imposing penalties; affecting every department, board,  
18 commission, and officer of the State government, every  
19 political subdivision of the State, and certain officers of  
20 such subdivisions, every person, association, and corporation  
21 required to pay, assess, or collect taxes, or to make returns  
22 or reports under the laws imposing taxes for State purposes,  
23 or to pay license fees or other moneys to the Commonwealth,  
24 or any agency thereof, every State depository and every  
25 debtor or creditor of the Commonwealth," implementing the  
26 provisions of Article VIII, section 10 of the Constitution of  
27 Pennsylvania by changing the audit and warrant procedures for  
28 the disbursement of money from the State Treasury and  
29 conferring powers and imposing duties on certain officers in  
30 connection therewith.

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

1       Section 1. Section 306, act of April 9, 1929 (P. L. 343),  
2 known as "The Fiscal Code," is amended to read:

3       Section 306. Examination and Audit of Requisitions and  
4 Adjustment of Claims.--The Treasury Department shall examine and  
5 audit requisitions for money prior to disbursement thereof and  
6 the Treasury Department shall cooperate with the Department of  
7 Auditor General [in the examination and audit of requisitions  
8 for disbursements, and] in the examination and adjustment of  
9 claims against the Commonwealth, as hereinafter in this act  
10 provided.

11       Section 2. Section 307 of the act, amended July 2, 1953 (P.  
12 L. 352), is amended to read:

13       Section 307. Audits of and Warrants for Disbursements.--The  
14 Treasury Department shall carefully audit and examine all  
15 requisitions calling upon the State Treasurer to draw his  
16 warrant for the payment of any money out of any fund of the  
17 State Treasury, and warrants shall be drawn by the State  
18 Treasurer, only after his approval of the requisition.

19       No money shall be paid from any of the funds of the State  
20 Treasury, except upon warrant of the [Auditor General] State  
21 Treasurer, issued upon requisition pursuant to law except (1)  
22 moneys in the State Workmen's Insurance Fund, which may be  
23 disbursed by check of the State Treasurer upon requisition of  
24 the Secretary of Labor and Industry and (2) moneys in the  
25 Surplus Commodities Stamp Fund which may be disbursed by check  
26 of the State Treasurer upon requisition of the Secretary of  
27 Public Assistance.

28       Section 3. The first paragraph of section 402 of the act,  
29 amended May 31, 1957 (P. L. 237), is amended to read:

30       Section 402. Audits of Affairs of Departments, Boards and

1 Commissions.--[It] Except as may otherwise be provided by law it  
2 shall be the duty of the Department of the Auditor General to  
3 make all audits of transactions after their occurrence, which  
4 may be necessary, in connection with the administration of the  
5 financial affairs of the government of this Commonwealth, with  
6 the exception of those of the Department of the Auditor General.  
7 It shall be the duty of the Governor to cause such audits to be  
8 made of the affairs of the Department of the Auditor General.

9 \* \* \*

10 Section 4. Section 404 of the act is amended to read:

11 Section 404. [Audits of and Warrants for Disbursements.--The  
12 Department of the Auditor General shall carefully audit and  
13 examine all requisitions calling upon the Auditor General to  
14 draw his warrant upon the State Treasurer for the payment of any  
15 money out of any fund of the State Treasury, and warrants shall  
16 be drawn by the Auditor General, only after approval of the  
17 requisition by the State Treasurer or the Governor, as  
18 hereinafter provided.] Officers Responsible for Audits.--No  
19 officer of this Commonwealth charged with the function of  
20 auditing transactions after their occurrence shall approve the  
21 same transactions prior to their occurrence. Notwithstanding any  
22 provision of any law to the contrary, from and after the  
23 effective date of this act, the Auditor General shall not be  
24 required or empowered to approve PRE-APPROVE OR PRE-AUDIT any <--  
25 transaction with respect to which said officer is empowered or  
26 required to conduct an audit after the transaction has occurred.

27 Section 5. Section 1501 of the act, amended August 21, 1953  
28 (P. L. 1331), is amended to read:

29 Section 1501. Requisitions.--No money shall be paid out of  
30 any fund in the State Treasury, except (1) the State Workmen's

1 Insurance Fund, and except (2) the Surplus Commodities Stamp  
2 Fund, until a requisition therefor shall have been presented to  
3 or prepared by the [Auditor General] State Treasurer.

4 For money appropriated to the Governor or to the Executive  
5 Board, the Governor shall prepare requisitions and present them  
6 to the [Department of the Auditor General] Treasury Department.

7 For money appropriated to the Lieutenant Governor he shall  
8 prepare requisitions and present them to the [Department of the  
9 Auditor General] Treasury Department.

10 For money appropriated to administrative departments, or to  
11 independent administrative boards or commissions, the respective  
12 departments, boards, or commissions, shall prepare their  
13 requisitions, with the written approval of their respective  
14 comptrollers noted thereon, and present them to the [Department  
15 of the Auditor General] Treasury Department.

16 For money appropriated to departmental administrative boards  
17 or commissions, or advisory boards or commissions, such boards  
18 or commissions shall prepare requisitions, and forward them to  
19 the departments with which they are respectively connected. Such  
20 departments, if they approve the requisitions, shall so signify  
21 in writing, and shall transmit them to the [Department of the  
22 Auditor General] Treasury Department. No requisition of a  
23 departmental administrative board or commission, or of an  
24 advisory board or commission, shall be valid without the  
25 approval in writing of the head and the comptroller of the  
26 department with which such board or commission is connected.

27 For money appropriated to a person, association, corporation,  
28 or agency, not a part of the executive branch of the State  
29 Government, the person, association, corporation, or agency, to  
30 whom or to which the appropriation was made, shall prepare

1 requisitions and present them to the [Department of the Auditor  
2 General] Treasury Department, but whenever, in any such case,  
3 any other act of Assembly requires the requisition to be  
4 approved by an administrative department of the State  
5 Government, other than the [Department of the Auditor General]  
6 Treasury Department, it shall be forwarded to the [Department of  
7 the Auditor General] Treasury Department through such other  
8 administrative department.

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

12 Section 6. Section 1502 of the act is amended to read:

13 Section 1502. Audit of Requisitions and Issuance of  
14 Warrants.--All requisitions shall be audited by the [Department  
15 of the Auditor General] Treasury Department, and, if they appear  
16 to be lawful and correct, [the department shall approve them and  
17 transmit them to the Treasury Department for examination and  
18 approval] the State Treasurer shall issue his warrant for the  
19 payment thereof. Otherwise, they shall be returned to the source  
20 from which they came for revision, correction, or cancellation.

21 [If the Treasury Department shall approve a requisition,  
22 which has been approved by the Department of the Auditor  
23 General, it shall note its approval thereon in writing and  
24 return the same to the Department of the Auditor General.  
25 Thereupon the Auditor General shall draw his warrant upon the  
26 State Treasurer for the payment of the amount in which the  
27 requisition has been approved.

28 If on the other hand, the Treasury Department shall  
29 disapprove such requisition, in whole or in part, it shall note  
30 its disapproval in writing, together with its reasons for

1 disapproval, and shall return the requisition to the Department  
2 of the Auditor General, and thereupon the Department of the  
3 Auditor General shall reconsider its approval.

4 If the Treasury Department shall have entirely disapproved of  
5 the requisition, and, upon reconsideration, the Department of  
6 the Auditor General shall agree with such action, the  
7 requisition shall be returned to the source from which it came,  
8 together with a written statement from the Department of the  
9 Auditor General explaining why the requisition has been  
10 disapproved.

11 If the Treasury Department has approved a requisition in part  
12 only, and, upon reconsideration, the Department of the Auditor  
13 General shall agree with the Treasury Department that the  
14 requisition should be approved in part only, it shall modify its  
15 prior approval of the requisition, and the Auditor General shall  
16 issue his warrant on the State Treasurer for the amount in which  
17 both departments have approved the requisition.

18 If the Department of the Auditor General, upon  
19 reconsideration, shall be unable to agree with the views of the  
20 Treasury Department, it shall lay before the Governor the  
21 requisition, together with all the papers and correspondence  
22 attached or appertaining thereto, and the Governor shall decide  
23 the issue raised between the two departments. Should the  
24 Governor determine that the requisition ought to be approved in  
25 whole or in part, it shall be the duty of the Auditor General to  
26 issue his warrant in accordance with the directions of the  
27 Governor. Should the Governor determine that the requisition  
28 ought to be disapproved, the Department of the Auditor General  
29 shall, upon receiving it from the Governor, return it to the  
30 source from which it came, with a written statement of the

1 reasons for which it was disapproved.]

2 Section 7. Subsection (b) of section 1503 of the act, added  
3 June 6, 1939 (P. L. 261), is amended to read:

4 Section 1503. Payments.--\* \* \*

5 (b) All payments out of the several funds in the State  
6 Treasury appropriated for public assistance shall be made by  
7 check of a form prescribed and furnished by the Treasury  
8 Department, but filled in as to name of payee and amount by the  
9 Department of Public Assistance. As soon after the effective  
10 date of this act as practicable but not later than sixty (60)  
11 days after such date, the Department of Public Assistance shall  
12 requisition the Treasury Department for supplies of serially  
13 numbered blank checks upon which to prepare disbursements for  
14 public assistance grants, and shall give its receipt to the  
15 Treasury Department for such blank checks, provided the  
16 Department of Public Assistance shall thereupon enter the name  
17 and address of the payee and the amount of payment and such  
18 other information as shall be necessary, after which it shall  
19 prepare a requisition on the [Auditor General] State Treasurer  
20 in the total amount of such checks, and [the Auditor General  
21 shall issue his warrant on the Treasury Department in the same  
22 total amount. Upon receipt of this warrant,] the Treasury  
23 Department shall issue its warrant in the total amount thereof,  
24 and shall sign and mail the checks to the payees designated  
25 thereon. This procedure shall be followed in Harrisburg and at  
6 such points outside the City of Harrisburg as the Governor shall  
27 determine.

8 \* \* \*

9 Section 8. Section 1504 of the act, amended June 28, 1947  
0 (P. L. 1006), is amended to read:

1       Section 1504.   Advances Out of Appropriations.--Whenever an  
2   appropriation shall have been made to any department, board, or  
3   commission of the State government, or to the board of trustees  
4   or other agency in charge of any semi-State institution, which  
5   is intended for expenses of such a nature as to make it  
6   impracticable for such department, board, commission, board of  
7   trustees, or agency, to file with the [Department of the Auditor  
8   General] Treasury Department itemized receipts or vouchers prior  
9   to the payment of such expenses, upon requisition and warrant in  
10   the usual way, such department, board, commission, board of  
11   trustees, or other agency, may make requisition upon the  
12   [Auditor General] State Treasurer from time to time, for such  
13   sum or sums of the appropriation as may be necessary to meet  
14   such expenses, and the [Auditor General] State Treasurer shall  
15   draw his warrant [upon the State Treasurer] for such sum or  
16   sums, to be paid out of the appropriation. The total amount of  
17   requisitions for advancements from any appropriation less the  
18   total amount of properly itemized receipts or vouchers filed  
19   with the [Auditor General] State Treasurer accounting for such  
20   advancements shall never exceed an amount approved by the  
21   Governor nor shall it in any case exceed the amount of the bond  
22   of the officers or individuals having control of the  
23   disbursements from the funds advanced.

24       Requisitions for advances hereunder to any departmental  
25   administrative board or commission, must be approved by the  
26   department with which such board or commission is connected  
27   prior to the presentation thereof to the [Auditor General] State  
28   Treasurer.

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



1       (1) Whenever required by the [Auditor General] State  
2 Treasurer file specifically itemized vouchers, in such form as  
3 may be prescribed by him, accounting for all money expended out  
4 of such advance;

5       (2) At the end of the appropriation period, return to the  
6 State Treasury all unexpended balances of such advance, before  
7 any advance shall be made out of any succeeding appropriation or  
8 requisition, the [Auditor General] State Treasurer to credit the  
9 expiring appropriation, and charge the new appropriation with  
10 the exact amount of cash on hand at end of the period: Provided,  
11 That advances to local county boards of assistance under the  
12 Public Assistance Law for reasonable emergency funds may be made  
13 before unexpended balances of advancements out of any previous  
14 appropriation are actually returned by such boards to the State  
15 Treasury;

16       (3) Deposit all moneys advanced, in the name of the  
17 Commonwealth, in a State depository, and certify the name  
18 thereof to the State Treasurer.

19       Section 9. This act shall take effect July 1, 1969.