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## DIGEST

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Abramson

HB No. 626

**Abstract:** Requires quasi public agencies or bodies and nongovernmental entities to submit information and documentation to the legislative auditor and be approved by the Joint Legislative Committee on the Budget prior to receiving state monies or assistance.

Present law requires nongovernmental entities which are neither a budget unit nor a political subdivision of the state, that are receiving state money through appropriation bills to transmit certain information relative to the proposal to the House committees on appropriations and ways and means and the Senate committees on finance and revenue and fiscal affairs no later than Nov. 1st each year.

Proposed law retains present law but requires such entities as well as quasi public agencies or bodies to submit information to the legislative auditor, hereinafter "auditor", and be approved by the Joint Legislative Committee on the Budget (JLCB) in accordance with the provisions of proposed law prior to requesting or receiving state monies or assistance.

Proposed law defines a "quasi public agency or body" as a not-for-profit organization, for-profit organization, and nongovernmental entity applying for state monies or assistance in any fiscal year. The term shall also include a quasi public agency or body as defined in present law.

Proposed law defines a "continuing entity" as a quasi public agency or body which received state monies or assistance in FY 2015-2016 and which has reported to the auditor's office in the 12 months prior to receiving state monies or assistance. Further defines a "new entity" as a quasi public agency or body which has not requested or received state monies or assistance prior to FY 2015-2016 or which has not reported to the auditor's office in the 12 months prior to requesting or receiving state monies or assistance. After the first year of compliance with proposed law a "new entity" shall be considered a "continuing entity" if the entity has received state monies or assistance and has reported to the auditor's office during its first year of operation.

Proposed law defines "state monies or assistance" as grants, loans, transfers of property, awards, direct line-item appropriations of state public funds, and federal funds which pass through the state before being appropriated to the quasi public agency or body.

Proposed law requires new entities requesting or receiving state monies or assistance for the first time, beginning in FY 2015-2016 and each fiscal year thereafter, to submit information and documents to the legislative auditor's office and to be approved by the JLCB prior to requesting or receiving state monies or assistance. The information and documents required to be submitted

to the auditor shall include all of the following:

- (1) The official name of the new entity.
- (2) A complete and accurate listing of the board of directors.
- (3) Documentation certifying that all payroll taxes have been paid and are current.
- (4) Financial statements for the most recent fiscal year.
- (5) Documentation that the new entity has contracted with an approved certified public accountant, including certification that the information submitted to the auditor has been compiled by and attested to by the certified public accountant.
- (6) Additional information the auditor deems necessary in order to ensure that the new entity meets minimum qualifications for requesting or receiving state monies or assistance.

Proposed law requires a continuing entity which received state monies or assistance in FY 2015-2016 or thereafter to submit all audit information required pursuant to the provisions present law including any additional information the auditor deems necessary in order to ensure that the continuing entity remains in good standing and continues to meet minimum qualifications for receipt of state monies or assistance.

Proposed law authorizes the auditor to establish a system to rank or grade reports or audits submitted by continuing entities.

Proposed law requires the auditor to prepare and submit a list containing new entities and continuing entities which have met the requirements of proposed law to the JLCB at least quarterly for approval. Additionally requires the legislative auditor to post the list on his website.

Proposed law requires the chairman of the JLCB to compile and submit a list of the entities approved by the committee within five working days of the date of approval to the auditor. Further requires the auditor to post the list of approved entities on its website.

Proposed law prohibits any entity that fails to submit information or documentation to the legislative auditor in accordance with proposed law or fails to be approved by the JLCB from being eligible to request or receive state monies or assistance in the fiscal year for which the entity fails to comply with the requirements of proposed law.

Proposed law prohibits a state agency from contracting with or paying monies to a quasi public entity or body which fails to meet the provisions of proposed law.

Proposed law requires the auditor to establish guidelines and procedures in order to implement proposed law. Further requires the guidelines to be posted on the auditor's website for no less than 30 and to submit the guidelines to the Legislative Audit Advisory Council in order to

receive public comment prior to the procedures and guidelines becoming final.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 24:524 and R.S. 39:51.2)