
DIGEST

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Schroder

HB No. 664

Abstract: Requires budget units transferring funds to public or quasi-public non-state entities to require budgets and goals and objectives for use of state money from such entities. Requires transferring entities to recover funds from nonperforming entities and for the legislative auditor to submit annual compliance reports.

Proposed law prohibits a state agency from transferring any appropriated funds to a public or quasi-public agency or entity which is not a budget unit of the state (recipient) unless the recipient entity has been certified by the legislative auditor to be compliant with present law regarding audit and financial statement requirements of entities which receive state funds. Further requires the recipient to submit a comprehensive budget to the transferring agency showing all anticipated uses of the appropriation, an estimate of the duration of the project, and a plan showing specific goals and objectives for the use of such funds.

Requires the transferring agency to approve the recipient's comprehensive budget and to require each recipient to agree in writing to provide written reports at least every six months concerning the use of the funds and the specific goals and objectives for the use of the funds. If the transferring agency determines that the recipient failed to use the funds set within the estimated duration of the project or failed to achieve its specific goals and objectives the transferring agency shall demand that any unexpended funds be returned to the state treasury.

Proposed law requires each recipient to be audited in accordance with present law regarding audits of recipients of state funds.

Proposed law requires the transferring agency to annually report specific data regarding compliance with proposed law and collection of any unexpended funds to the legislative auditor, the division of administration, and the Joint Legislative Committee on the Budget (JLCB). By May 15, the legislative auditor shall submit a report to the JLCB regarding the transferring agencies' compliance with proposed law. Requires the legislative auditor to report noncompliant agencies to the JLCB and the Legislative Audit Advisory Council.

Proposed law provides relative to specific transfers which are exempt from proposed law.

(Adds R.S. 39:88)