

**AMENDMENTS TO BUDGETARY PROCEDURES**

**ACT**

2004 GENERAL SESSION

STATE OF UTAH

**Sponsor: Jack A. Seitz**

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**LONG TITLE**

**General Description:**

This bill clarifies accounting requirements for certain claims against the state.

**Highlighted Provisions:**

This bill:

▶ prohibits certain medical assistance claims from being an expense or liability to the state unless they are received by a certain date.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63-38-8**, as last amended by Chapter 256, Laws of Utah 2002

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **63-38-8** is amended to read:

**63-38-8. End of fiscal year -- Unexpended balances -- Funds not to be closed out -- Pending claims -- Transfer of amounts from item of appropriation.**

(1) As used in this section, "transaction control number" means the unique numerical identifier established by the Department of Health to track each medical claim, which indicates the date upon which the claim is entered.

(2) On or before August 31 of each fiscal year, the director of the Division of Finance

shall close out to the proper fund or account all remaining unexpended and unencumbered balances of appropriations made by the Legislature, except:

- (a) those funds classified under Title 51, Chapter 5, Funds Consolidation Act as:
    - (i) enterprise funds;
    - (ii) internal service funds;
    - (iii) trust and agency funds;
    - (iv) capital projects funds;
    - (v) college and university funds;
    - (vi) debt service funds; and
    - (vii) permanent funds;
  - (b) appropriations made to the Legislature and its committees;
  - (c) restricted special revenue funds, unless specifically directed to close out the fund in the fund's enabling legislation;
  - (d) acquisition and development funds appropriated to the Division of Parks and Recreation;
  - (e) funds encumbered to pay purchase orders issued prior to May 1 for capital equipment if delivery is expected before June 30;
  - (f) unexpended and unencumbered balances of appropriations that meet the requirements of Section 63-38-8.1; and
  - (g) any other appropriations excepted by statute or by an annual appropriations act.
- (3) (a) Liabilities and related expenses for goods and services received on or before June 30 shall be recognized as expenses due and payable from appropriations made prior to June 30.
- (b) The liability and related expense shall be recognized within time periods established by the Division of Finance but shall be recognized not later than August 31.
- (c) Liabilities and expenses not so recognized may be paid from regular departmental appropriations for the subsequent fiscal year, if these claims do not exceed unexpended and unencumbered balances of appropriations for the years in which the obligation was incurred.
- (d) No amounts may be transferred from an item of appropriation of any department,

institution, or agency into the Capital Projects Fund or any other fund without the prior express approval of the Legislature.

(4) (a) For purposes of this chapter, claims processed under the authority of Title 26, Chapter 18, Medical Assistance Act[?]:

(i) may not be considered a liability or expense to the state for budgetary purposes ~~[until]~~ unless they are received by the Division of Health Care Financing[?] within the time periods established by the Division of Finance under Subsection (3)(b); and

(ii) are not subject to the requirements of Subsection (3)(c).

(b) The transaction control number recorded on each claim invoice by the division is considered the date of receipt ~~[and is the date that liability is recognized by the state].~~