

GOVERNMENT CODE

SUBTITLE C. STATE ACCOUNTING, FISCAL MANAGEMENT, AND PRODUCTIVITY
CHAPTER 2101. ACCOUNTING PROCEDURES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2101.001. DEFINITION. In this chapter, "state agency" has the meaning assigned by Section 403.013.
Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER B. FINANCIAL REPORTING

Sec. 2101.011. FINANCIAL INFORMATION REQUIRED OF STATE AGENCIES. (a) In this section:

(1) "Annual financial report" means the annual financial report required by this section.

(2) "Appropriated money" means money appropriated by the legislature under the General Appropriations Act or other law.

(b) Not later than November 20 of each year, a state agency shall submit an annual financial report regarding the agency's use of appropriated money during the preceding fiscal year to:

- (1) the governor;
- (2) the comptroller;
- (3) the Legislative Reference Library;
- (4) the state auditor; and
- (5) the Legislative Budget Board.

(c) A state agency's annual financial report must include a detailed statement of all assets, liabilities, and fund balances, including:

- (1) cash on hand and on deposit in banks and accounts in the state treasury;
- (2) the value of consumable supplies and postage;
- (3) the value of the agency's inventory of movable equipment and other fixed assets;
- (4) all other assets;
- (5) an itemization of the investments, bonds, notes, and other securities owned by any special funds under the agency's jurisdiction, including the amount and value of the securities;
- (6) all money due the agency from any source;
- (7) all outstanding commitments of the agency, including amounts due for services or goods received by the agency;
- (8) a summary by source of all revenue collected or accruing through the agency;
- (9) a summary of all appropriations, expenditures, bona fide encumbrances, and other disbursements by the agency; and
- (10) any other financial information requested by the comptroller.

(d) The comptroller may require the reporting of the financial information for any entity that the comptroller determines is a component unit of a statewide reporting entity in accordance with generally accepted accounting principles as prescribed or modified by the Governmental Accounting Standards Board or its successors.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Amended by Acts 1997, 75th Leg., ch. 1035, Sec. 65, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1423, Sec. 8.61, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 281, Sec. 6, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1158, Sec. 40, eff. Sept. 1, 2001.

Sec. 2101.0115. OTHER INFORMATION REQUIRED OF STATE AGENCIES. (a) A state agency shall submit an annual report to:

- (1) the governor;
- (2) the Legislative Reference Library;
- (3) the state auditor; and
- (4) the Legislative Budget Board.

(b) A state agency's annual report must cover an entire fiscal year. The agency shall submit the report not later than December 31 of each year.

(c) A state agency's annual report must include:

(1) the name and job title of each bonded agency employee, the amount of the bond, and the name of the surety company that issued the bond;

(2) an analysis of space occupied by the agency, including:

(A) the total amount of space rented by the agency, expressed in square feet;

(B) the total amount of space occupied by the agency in state-owned buildings, expressed in square feet;

(C) the name and address of each building in which the agency occupies space and the amount of square feet in

each building devoted to each particular use;

(D) the cost per square foot of all rented space;
(E) the annual and monthly cost of all rented space;

(F) the name of each lessor of space rented by the agency;

(G) a description of the agency's progress toward achieving the objective provided by Section 2165.104, if the agency is subject to that section; and

(H) any other information helpful to describe the agency's use of space;

(3) an itemization of all fees paid by the agency for professional or consulting services provided under Subchapter A or B, Chapter 2254, including the name of each person receiving those fees and the reason for the provision of the services;

(4) an itemization of all fees paid by the agency for legal services, other than legal services provided by an agency employee or the attorney general, including the name of each person receiving those fees and the reason for the provision of the services;

(5) a copy of the form prepared by the agency under Section 2205.041, relating to the agency's use and cost of operating aircraft that are state-owned or under rental or long-term lease;

(6) an itemization of any purchases made under Section 2155.067, including each product purchased, the amount of the purchase, and the name of the vendor;

(7) for each fiscal year ending in an even-numbered calendar year:

(A) a copy of the master file report verification form certified by the General Land Office, if applicable to the agency, to confirm that the agency is in compliance with Subchapter E, Chapter 31, Natural Resources Code; or

(B) if the agency's inventory record is inaccurate or incomplete, a statement that the agency will submit the appropriate forms to the General Land Office not later than the 15th day after the date the agency submits its annual report;

(8) a copy of the report prepared by the agency under Section 2161.124, relating to the agency's use of historically underutilized businesses;

(9) a report of each transfer of appropriated money between appropriation items that shows the sum of all transfers affecting each item;

(10) an itemization of each passenger vehicle the agency purchased, including the make, model, purchase price, assigned type of use, and fuel efficiency as expressed by the manufacturer's fuel efficiency rating;

(11) a schedule, applicable to state agencies determined by the Legislative Budget Board, detailing total expenditures by or on behalf of the agency for:

(A) employee benefits, including social security, health insurance, retirement contributions, benefit replacement pay, and workers' and unemployment compensation payments;

(B) bond debt service; and

(C) payments for general governmental services as defined by the comptroller, including services of the comptroller, the attorney general, the General Services Commission, the Department of Information Resources, and the state auditor;

(12) for an institution of higher education, the total amount of lump-sum vacation and compensatory leave payments made to employees who separated from state service during the fiscal year;

(13) the name and job title of each state officer or employee authorized to use a state-owned or state-leased vehicle and the reasons for the authorization, in accordance with Section 2113.013; and

(14) a report of expenditures made for each commodity or service identified under Section 2155.448, including:

(A) the total amount spent on those commodities and services;

(B) the total amount spent for commodities and services purchased that accomplish the same purpose; and

(C) the total amount spent for all other recycled, remanufactured, or environmentally sensitive commodities

or services, itemized by type of commodity or service.

(d) In this section:

(1) "Annual report" means the annual report required by this section.

(2) "Appropriated money" means money appropriated by the legislature under the General Appropriations Act or other law.

(3) "Appropriation item" includes an item listed in the General Appropriations Act under an informational listing of appropriated funds.

Added by Acts 2001, 77th Leg., ch. 1158, Sec. 41, eff. Sept. 1, 2001. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 54, eff. Sept. 1, 2003.

Sec. 2101.012. UNIFORM ACCOUNTING AND REPORTING PROCEDURES. (a) The comptroller shall prescribe uniform accounting and financial reporting procedures that each state agency shall use in the preparation of the information requested under Section 2101.011.

(b) The procedures must:

(1) comply with generally accepted accounting principles as established by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants or their successors; and

(2) include the requirements for compliance with the federal Single Audit Act of 1984 and Office of Management and Budget Circular A-133 and any subsequent changes or amendments that will fulfill the audit requirements for a statewide single audit.

(c) The accounts of the institutions shall be maintained and audited in accordance with the approved reporting system.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 2001, 77th Leg., ch. 1158, Sec. 42, eff. Sept. 1, 2001.

Sec. 2101.013. REVIEW OF PROPOSED PROCEDURES. (a) Before adopting or changing the accounting and financial reporting procedures, the comptroller shall submit the proposed procedures to the state auditor for review and comment.

(b) In adopting or changing procedures, the comptroller shall consider any comments of the state auditor.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2101.014. DUTIES OF STATE AUDITOR. The state auditor shall ensure that the accounting and financial reporting procedures of each state agency conform to the procedures adopted under this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2101.015. COMPONENTIZATION FOR AGENCY RECEIVING FEDERAL FUNDS. (a) In this section "componentization" means the process of separately calculating the depreciation of major building structural components, subsystems, and equipment.

(b) This section applies only to a state agency that receives federal funds to implement federal or joint federal and state programs.

(c) A state agency shall complete a componentization of any agency-owned building with a fair market value of at least \$1 million. As each building component is replaced, it shall be separately depreciated based on its individual useful life. At a minimum, the agency shall complete any componentization using the following component categories and suggested useful lives:

(1) building shell, 30 years;
(2) electrical and lighting systems, 20 years;
(3) plumbing systems, 20 years;
(4) fire protection systems, 20 years;
(5) elevator systems, 20 years;
(6) fixed equipment assets, 20 years;
(7) heating, ventilation, and cooling systems, 15 years;

(8) floor coverings, 15 years;
(9) interior finish, 15 years;
(10) miscellaneous construction features, 15 years;

and

(11) roof coverings, 10 years.

(d) The comptroller by rule may modify the schedule prescribed by Subsection (c).

Added by Acts 2001, 77th Leg., ch. 708, Sec. 1, eff. Sept. 1, 2001.

SUBCHAPTER C. UNIFORM STATEWIDE ACCOUNTING

Sec. 2101.031. UNIFORM STATEWIDE ACCOUNTING PROJECT. (a) The uniform statewide accounting project is in the comptroller's

office.

Text of introductory language of subsec. (b) as amended by Acts 1997, 75th Leg., ch. 891, Sec. 1.02

(b) The project includes each component of the uniform statewide accounting system as designed in accordance with Chapter 852, Acts of the 70th Legislature, Regular Session, 1987, and as defined by Section 1, Chapter 781, Acts of the 71st Legislature, Regular Session, 1989, including:

Text of introductory language of subsec. (b) as amended by Acts 1997, 75th Leg., ch. 1035, Sec. 79

(b) The project includes each component of the uniform statewide accounting system as designed in accordance with Chapter 852, Acts of the 70th Legislature, Regular Session, 1987, as defined by Section 1, Chapter 781, Acts of the 71st Legislature, Regular Session, 1989, and as developed or revised by the comptroller, including:

(1) the uniform statewide accounting system (USAS) and related subsystems;

(2) the uniform statewide payroll system (USPS); and

(3) the human resource information system (HRIS).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 891, Sec. 1.02, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1035, Sec. 79, eff. June 19, 1997.

Sec. 2101.033. PROJECT DIRECTOR. (a) The comptroller shall appoint a project director to administer the project.

(b) The project director reports directly to the comptroller or chief deputy comptroller.

(c) To be appointed project director, an individual must be qualified by training and experience to perform the duties of the position.

(d) The project director shall:

(1) administer the project as provided by this subchapter;

(2) employ and remove project staff;

(3) administer all money entrusted to the project;

(4) obtain necessary office space, equipment, and supplies for the project; and

(5) contract for goods and services necessary to carry out this subchapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2101.034. PROJECT SUPPORT; RECOVERY OF COSTS. (a) The comptroller shall provide support services for the project, including accounting, purchasing, and personnel services. The cost of the services shall be paid from money appropriated to the comptroller.

(b) The comptroller may recover from a state agency the cost of implementation or use of any component of the project by the agency.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2101.035. ADMINISTRATION OF USAS. (a) The comptroller is responsible for the administration, maintenance, and modification of the uniform statewide accounting system. The comptroller may adopt procedures and rules for the effective operation of the system, including procedures and rules relating to the method used to compute the net compensation of a state officer or employee.

(b) Repealed by Acts 1997, 75th Leg., ch. 891, Sec. 1.06(b), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1035, Sec. 90(a), eff. June 19, 1997.

(c) The comptroller shall implement the uniform statewide accounting system in accordance with generally accepted accounting principles, including the guidelines of the National Association of College and University Business Officers.

(d) The comptroller shall ensure that the uniform statewide accounting system encompasses each state agency.

(e) The comptroller shall ensure that the uniform statewide payroll system includes a standardized payroll calculation function. A state agency shall use that function to calculate its payrolls unless the comptroller temporarily exempts the agency from this requirement.

(f) The comptroller may designate a centralized or decentralized computer system, or a combination of those systems, to operate the uniform statewide accounting system or a component of that system, including the uniform statewide payroll system and the human resources information system. A designated computer

system may be operated by the comptroller, another governmental entity, or a private contractor.

(g) If the comptroller designates a decentralized computer system under Subsection (f), the comptroller may require each state agency using that system to report data and other information from the system to the comptroller at the time and in the manner required by the comptroller.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.30(a), eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 891, Sec. 1.03, 1.06(b) eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1035, Sec. 80, 90(a) eff. June 19, 1997.

Sec. 2101.036. STATE AGENCY INTERNAL ACCOUNTING SYSTEMS. (a) The comptroller by rule may require state agencies to modify, delay, or stop the implementation of individual accounting and payroll systems so that those systems are compatible with the uniform statewide accounting system.

(b) The comptroller may require a state agency to replace its internal accounting and payroll system with project components to provide uniformity in internal accounting.

(c) The expenditure of state funds for the establishment, modification, or maintenance of an individual accounting or payroll system must be in accordance with any rules regarding the development, implementation, or use of the uniform statewide accounting system.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2101.037. STATE AGENCY COOPERATION. (a) A state agency shall make available to the project director all records of the agency for purposes of developing and implementing the project.

(b) To ensure continuous reporting of comprehensive financial management information, including information on encumbrances and performance and workload measures, the comptroller shall require each state agency to report the necessary information to the project director on time. The reports of each agency must comply with the comptroller's rules and procedures about content and frequency.

(c) It is an affirmative defense to prosecution under Section 552.352(a) that the comptroller, the project director, or another officer or employee of the comptroller acted in reliance on a determination made by a state agency about the confidentiality of information supplied by the agency to the project director under Subsection (b).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1999, 76th Leg., ch. 1218, Sec. 1, eff. Sept. 1, 1999.

Sec. 2101.0375. WITHHOLDING OF TRAVEL EXPENSE REIMBURSEMENTS FOR LATE OR IMPROPER REPORTING. (a) The comptroller may withhold all reimbursements for the travel expenses incurred by the chief administrative officer of a state agency whose report under this subchapter is not properly received by the comptroller on or before the comptroller's deadline.

(b) The comptroller may withhold all reimbursements for the travel expenses incurred by the officers and employees of a state agency whose report under this subchapter is not properly received by the comptroller on or before the 30th day after the comptroller's deadline.

(c) The comptroller may prohibit a state agency from using local funds to reimburse the travel expenses incurred by:

(1) the agency's chief administrative officer if the agency's report under this subchapter is not properly received by the comptroller on or before the comptroller's deadline; or

(2) the agency's officers or employees if the agency's report under this subchapter is not properly received by the comptroller on or before the 30th day after the comptroller's deadline.

(d) Immediately after the comptroller determines that a state agency's report has been properly received, the comptroller shall:

(1) release each travel expense reimbursement that the comptroller withheld under Subsection (a) or (b); and

(2) rescind any prohibition that the comptroller issued under Subsection (c).

(e) A travel expense reimbursement is subject to withholding under Subsection (a), (b), or (c) regardless of when the expense is incurred. A travel expense reimbursement is subject

to withholding under Subsection (a) or (b) regardless of whether the reimbursement is payable to an individual or a state agency.

(f) A report is properly received under this section if the report complies with the format, submission method, content, and other requirements of the comptroller and this subchapter.

(g) In this section:

(1) "Chief administrative officer" means:

(A) the appointed or elected individual who is authorized by law to administer a state agency that is not headed by a governing body; or

(B) the executive director or other individual with an equivalent title who administers a state agency headed by a governing body.

(2) "Local funds" means funds that are not expended on warrants drawn or electronic funds transfers initiated by the comptroller.

(3) "State agency" does not include:

(A) a state agency under the direct supervision and control of the governor, the secretary of state, the comptroller, the Commissioner of the General Land Office, or the attorney general if the agency is not headed by a governing body;

(B) a state agency in the legislative or judicial branch of government;

(C) the Department of Agriculture; or

(D) the Railroad Commission of Texas.

Added by Acts 1997, 75th Leg., ch. 1035, Sec. 81, eff. June 19, 1997.

Sec. 2101.0376. ADMINISTRATIVE PENALTIES FOR LATE OR IMPROPER REPORTING. (a) The comptroller may impose an administrative penalty against a state agency if the comptroller:

(1) is late in submitting a statewide report or submits an incomplete statewide report; and

(2) determines that the statewide report is late or incomplete because a report from the agency under this subchapter was not properly received by the comptroller on or before the comptroller's deadline.

(b) A penalty imposed under Subsection (a) may be in an amount not to exceed \$2,000 for each report that is not properly received by the comptroller on or before the comptroller's deadline.

(c) A state agency shall ensure that the comptroller receives payment of a penalty imposed under Subsection (a) not later than the 30th day after the date the agency receives notice of the penalty. The comptroller shall deposit the payment to the credit of the general revenue fund.

(d) A report is properly received under this section if the report complies with the format, submission method, content, and other requirements of the comptroller and this subchapter.

(e) The comptroller may adopt rules to administer this section.

(f) In this section, "statewide report" means a report periodically submitted by the comptroller to the legislature, the state auditor, or another state officer or agency that provides statistical or financial information about the state agencies or their officers and employees.

(g) "State agency" does not include:

(1) a state agency under the direct supervision and control of the governor, the secretary of state, the comptroller, the Commissioner of the General Land Office, or the attorney general if the agency is not headed by a governing body;

(2) a state agency in the legislative or judicial branch of government;

(3) the Department of Agriculture; or

(4) the Railroad Commission of Texas.

Added by Acts 1997, 75th Leg., ch. 1035, Sec. 81, eff. June 19, 1997.

Sec. 2101.0377. REPORTING ACCOUNTING IRREGULARITIES TO STATE AUDITOR. On determining that a state agency, as defined by Section 658.001, or an institution of higher education, as defined by Section 61.003, Education Code, has inaccurately reported the expenditure of appropriated funds or engaged in recurring accounting irregularities, the comptroller shall report the agency or institution to the state auditor for appropriate action, including a comprehensive financial audit.

Added by Acts 1999, 76th Leg., ch. 1499, Sec. 1.15, eff. Sept. 1,

1999.

Sec. 2101.038. DUTIES OF STATE AUDITOR. The state auditor, when reviewing the operation of a state agency, shall audit for compliance with the uniform statewide accounting system, the comptroller's rules, and the Legislative Budget Board's performance and workload measures. The state auditor shall also audit state agencies that make purchases that are exempted from the purchasing authority of the General Services Commission or that make purchases under delegated purchasing authority for compliance with applicable provisions of Subtitle D, except that this section does not require the state auditor to audit purchases made under Section 51.9335, Education Code, or made under Section 73.115, Education Code. The state auditor shall notify the comptroller, the governor, the lieutenant governor, the speaker of the house of representatives, and the Legislative Budget Board as soon as practicable when a state agency is not in compliance.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 31.01(21), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 891, Sec. 1.04, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1035, Sec. 82, eff. June 19, 1997; Acts 1997, 75th Leg., ch. 1206, Sec. 22, eff. Sept. 1, 1997.

Sec. 2101.039. CONTRACTS; EXEMPTION. Contracts made under this subchapter are not subject to:

- (1) Subtitle D, Title 10;
- (2) Chapter 2254; or
- (3) Chapter 2054.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 17.19(a), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 891, Sec. 1.05, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1035, Sec. 83, eff. June 19, 1997.