

IN THE HOUSE OF REPRESENTATIVES
HOUSE CONCURRENT RESOLUTION NO. 45

BY FURNISS

1 A CONCURRENT RESOLUTION
2 STATING FINDINGS OF THE LEGISLATURE AND ENCOURAGING ALL AGENCIES AND DEPART-
3 MENTS OF THIS STATE TO IMPLEMENT A FINANCIAL PLAN THAT INCLUDES A SPEND-
4 ING PLAN, A REVENUE PLAN, AND A CASH MANAGEMENT PLAN EACH FISCAL YEAR.

5 Be It Resolved by the Legislature of the State of Idaho:

6 WHEREAS, proper and generally accepted business practices are to have
7 detailed management plans for financial operations that allow for greater
8 controls and monitoring of expenditures and the investment of funds needed
9 to effectively manage operations; and

10 WHEREAS, the agencies and departments of the State of Idaho are en-
11 trusted to manage funds, and specifically cash, provided to them for spe-
12 cific purposes benefiting the public, and they have the duty to manage these
13 moneys in the most fiscally responsible way; and

14 WHEREAS, the agencies and departments of the State of Idaho manage
15 large amounts of moneys and perform numerous financial transactions such as
16 billing, collections, deposits, and disbursements with these funds; and

17 WHEREAS, a financial plan, being a long-standing and tested method for
18 properly managing funds, consists of estimating revenues, receipts, and ex-
19 penditures by month, thereby allowing for the measuring of progress toward
20 the plan throughout the fiscal year; and

21 WHEREAS, a spending plan, being a subcomponent of a financial plan,
22 entered into the state's accounting system can be used by agencies to track
23 actual fiscal year-to-date expenditures at a more detailed level against
24 planned expenditures throughout the fiscal year; and

25 WHEREAS, a revenue plan and a cash management plan can provide greater
26 clarity of information to the Legislature and the public on the level of cash
27 reserves needed by an agency to provide services; and

28 WHEREAS, a financial plan should include efficient cash management
29 practices; and

30 WHEREAS, responsible cash management should include not keeping excess
31 cash on hand and determining a threshold amount where cash on hand would be
32 deemed excessive; and

33 WHEREAS, "cash management plan" means a subcomponent of a proper finan-
34 cial plan that provides a process to manage an agency's cash balance at the
35 fund level to ensure cash is available to be spent when needed. The cash man-
36 agement plan should take into account the timing of when revenues and expen-
37 ditures are expected to occur to ensure that the cash balance is sufficient
38 to handle expenditures and that the agency is not holding more cash balances
39 than are needed to support program objectives; and

40 WHEREAS, "financial plan" means an organization's annual plan to ensure
41 it manages its finances efficiently within the budgeted appropriation and
42 available cash, including the planning of receipts to the organization; and

1 WHEREAS, "revenue plan" means a subcomponent of a proper financial plan
2 that provides a monthly forecast for anticipated revenues or receipts to an
3 organization; and

4 WHEREAS, "spending plan" means a subcomponent of a proper financial
5 plan that provides a monthly forecast for anticipated expenses at a more
6 detailed level than by appropriation and budget. The plan is a monthly esti-
7 mate of expenditures, which can be used to help manage available cash.

8 NOW, THEREFORE, BE IT RESOLVED by the members of the Second Regular Ses-
9 sion of the Sixty-seventh Idaho Legislature, the House of Representatives
10 and the Senate concurring therein, that the Legislature strongly encourages
11 all agencies and departments of the State of Idaho to implement a financial
12 plan that includes a spending plan, a revenue plan, and a cash management
13 plan each fiscal year for their respective agency or department in order to
14 best manage taxpayer funds used in cash transactions.