



STATE OF TENNESSEE
EXECUTIVE ORDER
BY THE GOVERNOR

No. 30

**AN ORDER REGARDING CENTRALIZED ACCOUNTING
BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION**

WHEREAS, in the interests of making state service more economical and efficient, it is necessary for the State to maintain a rigorous expectation of an appropriate fiscal control environment, routine effective reconciliation of finances, and timely recording of accounting events; and

WHEREAS, it has been determined that to further a more economical and efficient state service, it is necessary for the chief fiscal officer in each agency to be held to a standard of performance approved by the Department of Finance and Administration; and

WHEREAS, the Department of Finance and Administration was created and established in Tennessee Code Annotated, Section 4-3-1001, and accounting powers were granted to the Department of Finance and Administration in Tennessee Code Annotated, Section 4-3-1007; and

WHEREAS, Tennessee Code Annotated, Section 4-3-101 creates and establishes the following departments of state government: Agriculture, Children's Services, Commerce and Insurance, Correction, Education, Environment and Conservation, Finance and Administration, Health, Human Services, Intellectual and Developmental Disabilities, Mental Health and Substance Abuse Services, Revenue, Safety, and Transportation. These departments shall be collectively referred to herein as the "Remaining Departments"; and

WHEREAS, other agencies of State government include the Bureau of TennCare, which was established by Tennessee Code Annotated, Section 71-5-102, Tennessee Wildlife Resources Agency, which was created by Tennessee Code Annotated, Section 70-1-301, Tennessee Higher Education Commission, which was established by Tennessee Code Annotated, Section 49-7-201, Military Department, which was created by Tennessee Code Annotated, Section 58-1-114, Tennessee Housing Development Agency, which was created by Tennessee Code Annotated, Section 13-23-104, and Tennessee Bureau of Investigation, which was created by Tennessee Code Annotated, Section 38-6-101. These agencies shall be collectively referred to herein as the "Remaining Agencies"; and

WHEREAS, the chief of accounts in the Department of Finance and Administration is responsible for maintaining and closing the accounting records to prepare timely interim reports and timely comprehensive annual financial reports; and

WHEREAS, centralized accounting will greatly enhance the ability to maintain and close the accounting records to prepare timely interim reports and timely comprehensive annual financial reports; and

WHEREAS, the management and operations of financial accounting and reporting for the Department of Economic and Community Development, the Department of General Services and the Department of Labor and Workforce Development presently report directly to the chief of accounts in the Department of Finance and Administration.

NOW THEREFORE, I, Bill Haslam, Governor of the State of Tennessee, by virtue of the power and authority vested in me by the Tennessee Constitution and law, including, but not limited to, Tennessee Code Annotated, Sections 4-4-102 and 4-4-117, do hereby order the following:

1. Effective July 1, 2013, or as soon thereafter as practicable, the following departments' and agencies' management and operations of financial accounting and reporting will report directly to the chief of accounts in the Department of Finance and Administration:
 - a. Executive Department
 - b. Commission on Children & Youth
 - c. Commission on Aging and Disability
 - d. Alcoholic Beverage Commission
 - e. Human Rights Commission
 - f. Health Services & Development Agency
 - g. Tennessee Arts Commission
 - h. Tennessee State Museum
 - i. Department of Human Resources
 - j. Department of Veterans Affairs
 - k. Board of Parole
 - l. Department of Tourist Development
 - m. Department of Financial Institutions
2. Individuals identified as chief fiscal officer(s) for the Remaining Departments and Remaining Agencies shall indirectly report to the chief of accounts in the Department of Finance and Administration. The indirect reporting relationship will be manifested through the performance planning process. The chief of accounts shall annually establish performance goals that are specific, measurable, achievable, relevant and time sensitive (SMART) for the chief fiscal officers. The chief of accounts in the Department of Finance and Administration shall establish criteria for performance of accounting functions to include financial reporting to be used in department and agency decision making, timely payment to vendors, appropriate draw down of federal revenues, established closing schedules, proper state and federal cost allocations, and timely filing of other required reports. The chief of accounts in the Department of Finance and Administration shall oversee the chief fiscal officers by serving as a reviewer during the annual performance evaluation of the SMART performance plans.

The Remaining Departments and the Remaining Agencies shall identify such individuals or positions serving as chief fiscal officers and shall create an indirect reporting relationship as established in this Order. Such individuals or positions shall begin to report indirectly to the chief of accounts effective June 30, 2013.


3. The indirect reporting relationship will convert to a direct reporting relationship based upon a Centralized Accounting Plan developed by the Commissioner of the Department of Finance and Administration such that all Remaining Departments' and Remaining Agencies' management and operations of financial

accounting and reporting will report directly to the chief of accounts. The direct reporting relationships will be established as it is practicable and as the accounting capacity is developed within the Division of Accounts in the Department of Finance and Administration.

Based upon the Centralized Accounting Plan, the Commissioner of the Department of Finance and Administration, with the assistance and approval of the Department of Human Resources, shall cause to be transferred to the Department of Finance and Administration any filled or unfilled, authorized and funded positions assigned, directly or indirectly, to the Remaining Departments' or Remaining Agencies' financial accounting and reporting functions. The Department of Finance and Administration shall revise the fiscal year 2013-2014 work program, and may revise future budget requests based on the plan to reflect the effect of this Executive Order. Such positions for financial accounting and reporting from the Remaining Departments or Remaining Agencies shall be transferred to the Department of Finance and Administration effective July 1, of the year indicated in the plan.

4. To the extent that their terms are inconsistent with the terms of this Executive Order No. 30, all previous executive orders are hereby repealed.

IN WITNESS WHEREOF, I have subscribed my signature and caused the Great Seal of the State of Tennessee to be affixed this 27th day of June, 2013.



GOVERNOR

ATTEST: 

SECRETARY OF STATE

