1.1   .... moves to amend H.F. No. 997 as follows:

1.2   Page 1, delete section 1, and insert:

1.3   "Section 1. Minnesota Statutes 2016, section 471.38, is amended to read:

1.4   **471.38 CLAIMS.**

1.5   Subdivision 1. **Itemization; declaration.** Except as provided in subdivision 2, ~~where~~ if

1.6   an account, claim or demand against ~~any county, local social services agency, county board~~

1.7   ~~of education for unorganized territory, school district, town or home rule charter city of the~~

1.8   ~~second, third or fourth class, or any park district,~~ a local government for any property or

1.9   services can be itemized in the ordinary course of business, the board or officer authorized

1.10   by law to audit and allow claims shall not audit or allow the claim until the person claiming

1.11   payment, or the person's agent, ~~reduces it to~~ provides to the board or officer an itemized list

1.12   in writing or in an electronic transaction record~~, in items and signs a declaration to the effect~~.

1.13   By making the claim for payment, the person making the claim is declaring that ~~such~~ the

1.14   account, claim, or demand is just and correct and that no part of it has been paid. The board

1.15   or officer may in its discretion allow a claim prepared by the clerk or secretary of ~~such~~ the

1.16   board or officer prior to ~~such~~ the declaration by the claimant if the declaration is made on

1.17   the check or order-check by which the claim is paid, as provided in section 471.391,

1.18   subdivision 2. For the purposes of this section, "local government" means any county, local

1.19   social services agency, school district, town, or home rule charter city of the second, third

1.20   or fourth class, or any park district

1.21   Subd. 2. **Application.** The provisions of this section do not apply to any claim or demand

1.22   for an annual salary or fees of jurors or witnesses, fixed by law, nor to the salary or wages

1.23   of any employee whose salary or wages have been fixed on an hourly, daily, weekly or

1.24   monthly basis, by the governing board of the municipality, and which is now authorized by

1.25   law to be paid on a payroll basis.

Section 1.   1

2.1   Subd. 3. **Electronic funds transfer.** Electronic funds transfer is the process of value

2.2   exchange via mechanical means without the use of checks, drafts, or similar negotiable

2.3   instruments. A ~~school district~~ local government may make an electronic funds transfer for

2.4   the following:

2.5   (1) for a claim for a payment from an imprest payroll bank account or investment of

2.6   excess money;

2.7   (2) for a payment of tax or aid anticipation certificates;

2.8   (3) for a payment of contributions to pension or retirement fund;

2.9   (4) for vendor payments; and

2.10   (5) for payment of bond principal, bond interest and a fiscal agent service charge from

2.11   the debt redemption fund.

2.12   Subd. 3a. **~~School district~~ Eligibility.** The authorization in subdivision 3 extends only

2.13   to a ~~school district~~ local government that has enacted all of the following policy controls:

2.14   (a) the ~~school board~~ governing body shall annually delegate the authority to make

2.15   electronic funds transfers to a designated business administrator or chief financial officer

2.16   or the officer's designee;

2.17   (b) the disbursing bank shall keep on file a certified copy of the delegation of authority;

2.18   (c) the initiator of the electronic transfer shall be identified;

2.19   (d) the initiator shall document the request and obtain an approval from the designated

2.20   business administrator, or chief financial officer or the officer's designee, before initiating

2.21   the transfer as required by internal control policies;

2.22   (e) a written confirmation of the transaction shall be made no later than one business

2.23   day after the transaction and shall be used in lieu of a check, order check or warrant required

2.24   to support the transaction;

2.25   (f) a list of all transactions made by electronic funds transfer shall be submitted to the

2.26   ~~school board~~ governing body at its next regular meeting after the transaction."