

## EXECUTIVE REORGANIZATION ORDER

E.R.O. No. 2007-23

### **18.47 Transfer of powers and duties pertaining to accounting functions to office of state budget director; transfer of powers and duties of department of management or director of management and budget under MCL 18.1283 to office of state budget director.**

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the State of Michigan in the Governor;

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the executive branch or in the assignment of functions among its units that the Governor considers necessary for efficient administration;

WHEREAS, the Department of Management and Budget is required to minimize the duplication of activities among state agencies, between state agencies and businesses, to effect a better organization and consolidation of functions among state agencies, and to establish, administer, operate, or provide centralized services when advantageous to this state;

WHEREAS, consolidation of state accounting functions within the Department of Management and Budget will promote a more unified approach to accounting of state expenditures and funds within the executive branch of state government and improve the effectiveness of accounting functions;

WHEREAS, consolidating state accounting functions will increase administrative efficiencies;

WHEREAS, it is necessary in the interests of efficient administration and effectiveness of government to change the organization of the executive branch of state government;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

#### I. DEFINITIONS

As used in this Order:

A. "Accounting functions" includes all of the following:

1. Processing of expenditure transactions, including, but not limited to, payments.
2. Processing of revenue transactions, including, but not limited to, processing of receipts.
3. Processing of journal vouchers.
4. Processing of budgetary transactions.
5. Preparation of financial reconciliations.
6. Preparation of financial reports and projections.

B. "Department of Management and Budget" means the principal department of state government created under Section 121 of The Management and Budget Act, 1984 PA 431, MCL 18.1121.

C. "Office of the State Budget Director" means the office created within the Department of Management and Budget under Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

D. "State Budget Director" means the individual appointed by the Governor pursuant to Section 321 of The Management and Budget Act, 1984 PA 431, MCL 18.1321.

#### II. TRANSFERS TO OFFICE OF THE STATE BUDGET DIRECTOR

A. All the authority, powers, duties, functions, responsibilities, rule-making authority, personnel, equipment, and budgetary resources pertaining to accounting functions within the executive branch of state government, are transferred to the Office of the State Budget Director. Upon the completion of the transfers authorized by this Order, all authority, power, duties, functions, responsibilities, personnel, equipment, and budgeting resources within the executive branch of state government relating to accounting functions shall be administered by the Office of the State Budget Director. The transfers under this paragraph shall not be construed to inhibit the head of a principal department, elected or appointed, from supervising the statutory powers, duties, and functions of that principal department.

B. All the authority, powers, duties, functions, responsibilities, rule-making authority, personnel, equipment, and budgetary resources of the Department of Management and Budget or the Director of the Department of Management and Budget under Section 283 of The Management and Budget Act, 1984 PA 431, MCL 18.1283, are transferred to the Office of the State Budget Director.

C. All the authority, powers, duties, functions, responsibilities, rule-making authority, personnel, equipment, and

budgetary resources of the Department of Management and Budget or the Director of the Department of Management and Budget under Article IV of The Management and Budget Act, 1984 PA 431, MCL 18.1401 to 18.1499, are transferred to the Office of the State Budget Director.

D. The Office of the State Budget Director shall operate an accounting functions services center to assist departments and agencies within the executive branch with accounting functions and may develop standardized policies and procedures for the performance of accounting functions.

### III. IMPLEMENTATION OF TRANSFERS

A. The State Budget Director and the directors of all principal departments within the executive branch of state government shall jointly identify the program positions and administrative function positions that will be transferred to the Office of the State Budget Director under this Order. The State Budget Director and the directors of the principal departments shall make every effort to develop the agreements specifying the positions to be transferred by the effective date of this Order. In the event of a failure to reach an agreement on positions to be transferred under this Order, the State Budget Director shall develop a written recommendation specifying the positions to be transferred and submit the recommendation to the Governor for consideration and approval. All transfers to the Office of the State Budget Director shall be consistent with this Order and documented by a memorandum of understanding between the director of each principal department affected by this Order and the State Budget Director.

B. For the purpose of implementing this Order or facilitating the performance of accounting functions, the Office of the State Budget Director may enter into a written agreement, including a service level agreement, with any other department or agency regarding the performance of accounting functions.

C. The State Budget Director shall provide executive direction and supervision for the implementation of all transfers to the Office of the State Budget Director under this Order.

D. The State Budget Director shall immediately initiate coordination with department and agencies within the executive branch of state government to facilitate the transfers under this Order. Each principal department affected by the transfers under this Order shall issue, after consultation with the State Budget Director, a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and state laws and regulations, or other obligations to be resolved by the transferring department related to the transfers under this Order.

E. Departments, agencies, and state officers within the executive branch of state government shall fully and actively cooperate with the Office of the State Budget Director in the implementation of this Order. The State Budget Director may request the assistance of other departments, agencies, and state officers with respect to personnel, budgeting, procurement, telecommunications, information systems, legal services, and other issues related to implementation of the transfers under this Order, and the departments and agencies shall provide the assistance requested.

F. The State Budget Director shall administer the functions transferred under this Order in such ways as to promote efficient administration and shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities under this Order.

G. The State Budget Director may delegate within the Office of the State Budget Director a duty or power conferred on the State Budget Director by this Order or by other law, and the individual to whom the duty or power is delegated may perform the duty or exercise the power at the time and to the extent that the duty or power is delegated by the State Budget Director.

H. All records, property, grants, and unexpended balances of appropriations, allocations, and other funds used, held, employed, available or to be made available to any entity for the authority, activities, powers, duties, functions, and responsibilities transferred under this Order to the Office of the State Budget Director are transferred to the Office of the State Budget Director.

### IV. MISCELLANEOUS

A. The State Budget Director shall determine and authorize the most efficient manner possible for handling financial transactions and records in this state's financial management system necessary to implement this Order.

B. All rules, orders, contracts, and agreements relating to the functions transferred under this Order lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended, repealed, or rescinded.

C. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected by this Order, shall not abate by reason of the taking effect of this Order. Any suit, action, or other proceeding may be maintained by, against, or before the appropriate successor of any entity affected by this Order.

D. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order, which may be given effect without any invalid portion. Any portion of this Order found invalid by a court or other entity with proper jurisdiction shall be severable from the remaining portions of this Order.

In fulfillment of the requirements under Section 2 of Article V of the Michigan Constitution of 1963, the provisions of this Order are effective October 1, 2007 at 12:01 a.m.

**History:** 2007, E.R.O. No. 2007-23, Eff. Oct. 1, 2007

