

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE C. STATE ACCOUNTING, FISCAL MANAGEMENT, AND PRODUCTIVITY

CHAPTER 2101. ACCOUNTING PROCEDURES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2101.001. DEFINITIONS. In this chapter:

(1) "Enterprise resource planning" includes the administration of a state agency's:

- (A) general ledger;
- (B) accounts payable;
- (C) accounts receivable;
- (D) budgeting;
- (E) inventory;
- (F) asset management;
- (G) billing;
- (H) payroll;
- (I) projects;
- (J) grants;

(K) human resources, including administration of performance measures, time spent on tasks, and other personnel and labor issues; and

(L) purchasing, including solicitations and contracting.

(2) "State agency" has the meaning assigned by Section [403.013](#).

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

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1089 (H.B. [3106](#)), Sec. 1, eff. September 1, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 1057 (H.B. [3116](#)), Sec. 1, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 326 (S.B. [20](#)), Sec. 6, eff. September 1, 2015.

SUBCHAPTER B. FINANCIAL REPORTING

Sec. 2101.011. FINANCIAL INFORMATION REQUIRED OF STATE AGENCIES.

Text of subsection effective until September 01, 2024

(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.

Text of subsection effective on September 01, 2024

(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.

(3) "Institution of higher education" has the meaning assigned by Section [61.003](#), Education Code.

Text of subsection effective until September 01, 2024

(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.

Text of subsection effective on September 01, 2024

(b) Except as provided by Subsections (b-1) and (b-2), not later than November 1 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.

Text of subsection effective on September 01, 2024

(b-1) An institution of higher education shall submit the annual financial report described by Subsection (b) not later than November 20 of each year.

Text of subsection effective on September 01, 2024

(b-2) A state agency may submit an audited financial report in place of the report described by Subsection (b). An audited financial report must be submitted not later than December 15 of each year.

(c) A state agency's annual financial report must include information on 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 the agency's inventory of movable equipment and other fixed assets;

(3) 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;

(4) all money due the agency from any source;

(5) all outstanding commitments of the agency, including amounts due for services or goods received by the agency;

(6) a summary by source of all revenue collected or accruing through the agency;

(7) a summary of all appropriations, expenditures, bona fide encumbrances, and other disbursements by the agency; and

(8) 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.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 795 (H.B. [2042](#)), Sec. 2, eff. September 1, 2019.

Acts 2023, 88th Leg., R.S., Ch. 629 (H.B. [4510](#)), Sec. 1, eff. September 1, 2024.

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 Texas Facilities 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.

(4) "Institution of higher education" and "university system" have the meanings assigned by Section 61.003, Education Code.

(e) This section does not apply to an institution of higher education or university system.

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.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1049 (S.B. 5), Sec. 6.08, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1049 (S.B. 5), Sec. 6.09, eff. June 17, 2011.

Acts 2019, 86th Leg., R.S., Ch. 1071 (H.B. 1524), Sec. 5, eff. September 1, 2019.

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. The procedures may include procedures that prescribe a uniform format for and a uniform method of reporting the financial information included in the annual financial report.

(b) The procedures must 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.

(d) The comptroller may adopt rules to implement this section.

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.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 141 (S.B. 470), Sec. 1, eff. May 18, 2007.

Acts 2019, 86th Leg., R.S., Ch. 795 (H.B. 2042), Sec. 3, eff. September 1, 2019.

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).

(c) The comptroller shall ensure that the uniform statewide accounting project includes enterprise resource planning.

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.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1089 (H.B. [3106](#)), Sec. 2, eff. September 1, 2007.

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 or a vendor that uses the system under Section [2155.061](#) the cost of

implementation or use of any component of the project.

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

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1057 (H.B. [3116](#)), Sec. 2, eff. September 1, 2013.

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.

(h) State agencies shall report expenditures in the uniform manner required by the comptroller.

(i) State agencies shall report contract and purchasing information in the uniform 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.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 141 (S.B. 470), Sec. 2, eff. May 18, 2007.

Acts 2015, 84th Leg., R.S., Ch. 326 (S.B. 20), Sec. 7, eff. September 1, 2015.

Sec. 2101.036. STATE AGENCY INTERNAL ACCOUNTING SYSTEMS.

(a) The comptroller by rule may:

(1) require state agencies to modify, delay, or stop the implementation of individual accounting and payroll systems, including individual enterprise resource planning systems, so that those systems are compatible with the uniform statewide accounting system; and

(2) adopt standards for implementation and modification of state agency enterprise resource planning systems.

(b) The comptroller may require a state agency to:

(1) replace its internal enterprise resource planning system or accounting and payroll system with project components to provide uniformity in internal accounting and other enterprise resource planning system functions; and

(2) modify its internal enterprise resource planning system or accounting and payroll system to provide uniformity in internal accounting and other enterprise resource planning system functions.

(c) The expenditure of state funds for the establishment, modification, or maintenance of an individual enterprise resource

planning system or accounting or payroll system must be in accordance with any rules regarding the development, implementation, or use of the uniform statewide accounting system.

(d) Notwithstanding any other provision of this chapter or other law, this section and any rules implementing this section apply only in relation to a state agency as defined by Section [2054.003](#).

(e) Notwithstanding Subsection (d), a state agency in the legislative branch may elect to participate in the enterprise resource planning system developed under this section.

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

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1089 (H.B. [3106](#)), Sec. 3, eff. September 1, 2007.

Acts 2015, 84th Leg., R.S., Ch. 326 (S.B. [20](#)), Sec. 8, eff. September 1, 2015.

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, including complying with the rules and requirements prescribed by the comptroller under Section [2101.036](#).

(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.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1089 (H.B. [3106](#)), Sec. 4, eff. September 1, 2007.

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 comptroller 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.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 937 (H.B. 3560), Sec. 1.66, eff. September 1, 2007.

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.

Sec. 2101.040. ENTERPRISE RESOURCE PLANNING ADVISORY COUNCIL. (a) The comptroller shall establish and coordinate the enterprise resource planning advisory council. The council is composed of:

(1) representatives of the Department of Information Resources, appointed by the executive director of the department;

(2) representatives of the Health and Human Services Commission, appointed by the executive commissioner of the commission;

(3) representatives of the Information Technology Council for Higher Education, nominated by the members of the council;

(4) representatives of the comptroller's office, appointed by the comptroller; and

(5) representatives of two state agencies selected by the comptroller that have fewer than 100 employees, appointed by the executive head of each agency.

(b) The council shall develop a plan that contains key requirements, constraints, and alternative approaches for the comptroller's implementation of enterprise resource planning standards, including related core functionality and business process reengineering requirements.

(c) Before each legislative session, the comptroller shall report to the legislature concerning the status of the implementation of the council's plan under Subsection (b) regarding enterprise resource planning in this state, including any planned modifications to and upgrade requirements of statewide and agency systems and the financial impact of the modifications and upgrade requirements.

(d) A member of the council receives no additional compensation for serving on the council and may not be reimbursed for travel or other expenses incurred while conducting the business of the council.

(e) Except as provided by Subsection (d), Chapter 2110 applies to the council.

Added by Acts 2007, 80th Leg., R.S., Ch. 1089 (H.B. 3106), Sec. 5, eff. September 1, 2007.

Sec. 2101.041. STATE AGENCY REPORTING OF CONTRACTING INFORMATION. (a) The comptroller by rule shall determine the contracting information that state agencies must report or provide using the centralized accounting and payroll system, or any successor system used to implement the enterprise resource planning component of the uniform statewide accounting project, developed under Sections [2101.035](#) and [2101.036](#).

(b) In making the determination required by this section, the comptroller shall consider requiring a state agency to report or provide:

(1) a brief summary of each contract that is quickly and easily searchable, including the contract's purpose, timeline, and deliverables;

(2) contract planning and solicitation documents;

(3) the criteria used to determine the vendor awarded the contract;

(4) if the contract was awarded based on best value to the state:

(A) a list of the factors considered in determining best value with the weight given each factor; and

(B) a statement regarding how the vendor awarded the contract provides the best value to the state in relation to other vendors who bid or otherwise responded to the contract solicitation;

(5) any statements of work and work orders prepared for or under the contract;

(6) the proposed budget for the contract;

(7) any conflict of interest documents signed by state agency purchasing personnel participating in the planning, soliciting, or monitoring of the contract;

(8) criteria used or to be used by the state agency in monitoring the contract and vendor performance under the contract;

(9) a justification for each change order, contract amendment, contract renewal or extension, or other proposed action that would result in an increase in the monetary value of a contract with an initial value exceeding \$10 million; and

(10) additional supporting documentation and justification for a change order, contract amendment, contract renewal or extension, or other proposed action of a contract described by Subdivision (9) that would result in an increase in the contract's monetary value by more than 20 percent.

Added by Acts 2015, 84th Leg., R.S., Ch. 326 (S.B. 20), Sec. 9, eff. September 1, 2015.

Sec. 2101.042. LEAVE REPORTING. (a) As part of the centralized accounting and payroll system or any successor system used to implement the enterprise resource planning component of the uniform statewide accounting project developed under Sections 2101.031, 2101.035, and 2101.036, the comptroller shall adopt a uniform system for use by each state agency to which Section 2101.036 applies under Subsection (d) of that section for the reporting of leave taken by the agency's employees. The system adopted by the comptroller must include standardized accounting codes for each type of leave authorized under Chapter 661.

(b) A state agency to which Subsection (a) applies shall use the uniform system adopted by the comptroller under this section.

Added by Acts 2017, 85th Leg., R.S., Ch. 518 (S.B. 73), Sec. 5, eff. September 1, 2017.

SUBCHAPTER D. FINANCIAL REPORTING BY CERTAIN FUNDS AND TRUST ACCOUNTS

Sec. 2101.051. DEFINITION. In this subchapter, "economically targeted investment" means an investment in which at least 50 percent of the total investment is allocated to economic development within this state or investment in businesses or entities located within this state.

Added by Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. 4170), Sec. 18.001(a), eff. September 1, 2019.

Sec. 2101.052. APPLICABILITY OF SUBCHAPTER. The requirements of this subchapter apply only to:

- (1) the permanent school fund;

- (2) the permanent university fund;
 - (3) the Teacher Retirement System of Texas trust fund;
- and
- (4) each trust account administered by the Employees Retirement System of Texas.

Added by Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. [4170](#)), Sec. 18.001(a), eff. September 1, 2019.

Sec. 2101.053. REPORT DEADLINE; CONTENT OF REPORT.

(a) The manager of each fund or account to which this subchapter applies shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the executive director of the State Pension Review Board:

- (1) not later than January 25 of each year, a report with the information required by Subsection (b) covering the last six months of the previous calendar year; and

- (2) not later than June 25 of each year, a report with the information required by Subsection (b) covering the first six months of that calendar year.

(b) Each report submitted under Subsection (a) must include the following:

- (1) the number of beneficiaries of the fund or account;

- (2) the name of each individual responsible for administering the fund or account and the discretionary investment authority granted to the individual;

- (3) the investment objectives of the fund or account;

- (4) the current end-of-month market value of the fund or account;

- (5) the current book value of the fund or account;

- (6) the names and amounts of the 10 largest stock holdings of the fund or account and the investment performance of those stock holdings during the last 12-month period;

- (7) the asset allocations of the fund or account expressed in percentages of stocks, fixed income, real estate, cash, or other financial investments; and

- (8) the names and amounts of all investments made by

the fund or account in economically targeted investments.

Added by Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. [4170](#)), Sec. 18.001(a), eff. September 1, 2019.

Sec. 2101.054. EFFECT OF SUBCHAPTER. This subchapter does not diminish, impair, contradict, or affect the duties, powers, or authorities granted or imposed on a governing board of a fund or account listed in Section [2101.052](#) by the constitution or laws of this state.

Added by Acts 2019, 86th Leg., R.S., Ch. 467 (H.B. [4170](#)), Sec. 18.001(a), eff. September 1, 2019.