
MANAGEMENT DIRECTIVE

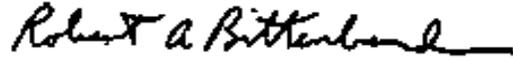
305.6 Amended
Number

COMMONWEALTH OF PENNSYLVANIA GOVERNOR'S OFFICE

Subject:

Withholding Payments to Municipalities (Act No. 166 of 1978)

By Direction Of:


Robert A. Bittenbender, Secretary of the Budget

Date:

May 1, 1997

State payments to municipalities may be withheld as provided by the *Pennsylvania Flood Plain Management Act (Act No. 166 of 1978), Section 501(c)*. This amendment eliminates Marion Center Borough, Indiana County, from the list of affected municipalities. It also recognizes the transfer of this function from the Department of Community Affairs to the Department of Community and Economic Development in accordance with *Act No. 58 of 1996*.

1. **SCOPE.** This directive applies to all agencies under the Governor's jurisdiction.

2. **POLICY.**

- a. The State Treasurer shall hold in escrow all moneys due a municipality from the General Fund or any other fund upon notification by the Secretary of
- Community and Economic Development that the municipality is in violation of *Chapter 2 of Act No. 166 of 1978*. Enclosure 1 lists municipalities currently affected.

- b. Local wage taxes withheld from compensation paid to employees and due to municipalities are not construed as moneys subject to escrow under the provisions of *Act No. 166 of 1978*.

3. **RESPONSIBILITIES.**

- a. **The Secretary of Community and**
- **Economic Development** shall provide written notification to the State Treasurer and to the Secretary of the Budget of municipalities determined to be in violation of the *Pennsylvania Flood Plain Management Act* and of their subsequent compliance therewith.

- b. The State Treasurer shall hold in escrow all moneys due an affected municipality until such time as notified by the Secretary of Community and Economic Development that the municipality is in compliance with the Act. The State Treasurer shall then make payment of moneys due the municipality from the escrow account. •

- c. **The Secretary of the Budget, through the Deputy Secretary for Comptroller Operations,** shall provide agencies with the names of municipalities from which state payments will be withheld and of those to which payments are subsequently to be resumed.

- d. **Comptrollers** shall report amounts due affected municipalities to the State Treasury in accordance with Section 4.

- e. **Agency program offices** shall report to the comptroller amounts due affected municipalities and the reasons for payment.

Distribution: B

4. PROCEDURES.

Procedure 1: To report and transfer amounts due municipalities to the State Treasury, comptrollers shall:

Step	Action
1.	Process the payment due each affected municipality on a separate Form STD-125, Voucher Transmittal, (see Enclosure 2). a. Debit: The paying appropriation. b. Credit: Expenditure Symbol 001-003-090- -4 Revenue Code 001710-003090-101

2. Include the following notation on Form STD-125:

ATTENTION STATE TREASURY. This voucher represents payment of (item) due (municipality name and county) to be withheld in accordance with *Act No. 166 of 1978*.

3. Attach to Form STD-125 a copy of the notification to withhold payment required by Section 3.c.

Procedure 2: To make payment to qualifying municipalities from amounts held in escrow, the State Treasury shall:

Step	Action
1.	Prepare an invoice listing the following (see Enclosure 3). a. The name of the municipality and county and the amount to be paid. b. The purpose of the payment. c. The Voucher Transmittal number and warrant number under which payment was deposited to the Treasury escrow account. d. The depositing agency and fund.
2.	Process a Voucher Transmittal and issue check payable to the municipality.

Step	Action
3.	Transmit check with a copy of the invoice to the Office of the Budget, Bureau of Financial Management, for issuance to the comptroller of the depositing agency. (This check is subsequently remitted to the appropriate municipal official.)

Enclosures:

- 1 – List of Municipalities
- 2 – Example of Form STD-125, Voucher Transmittal
- 3 – Example of Invoice

This directive supersedes Management Directive 305.6 dated May 14, 1993, and Revisions 1 thru 4.

The following municipalities have been determined by the Secretary of Community and Economic Development •
to be in violation of *Chapter 2 of the Pennsylvania Flood Plain Management Act (Act No. 166 of 1978)*.

Municipality

County

None at this time

•

DATE

VOUCHER TRANSMITTAL

PAGE

V.T. NO.

TO THE DEPARTMENT OF THE TREASURY:

I have reviewed and approve for payment the items listed herein with attached invoices. Please audit these items and upon your approval issue your checks in payment thereof. Payment is authorized by the following appropriations and acts:

TRANSFER VOUCHER

AGENCY: (PAYING AGENCY)
FUND: (PAYING FUND)

DEBIT:

APPROPRIATION
XXX-XXX-XXX-XX-X

YR - ACT
19__

\$XX,XXX XX

XXXXXX

XXXXXX

AMOUNT DEBITED

AGENCY: TREASURY
FUND: GENERAL

CREDIT:

APPROPRIATION
001-003-090- -4

REVENUE CODE
001710-003090-101

\$XX,XXX XX

AMOUNT CREDITED

ATTENTION STATE TREASURY: THIS VOUCHER REPRESENTS
PAYMENT OF (ITEM) DUE (CITY, BOND OR TWP, COUNTY)
TO BE WITHHELD IN ACCORDANCE WITH ACT NO. 166 OF 1978.

WARRANTY NO.

BOARD/COMMISSION/INSTITUTION HEAD	APPROVED	TREASURY DEPARTMENT
AGENCY HEAD		DATE
COMPTROLLER		
		FOR THE STATE TREASURER
		I, TREASURY

INVOICE

Payor – State Treasury Department Payee – Listed Below
Appropriation Symbol – 001-003-090- -4
Bureau – 0310
Object – 860

1.	Allegheny Township, Somerset County Payment of Sewage Facilities Transfer Voucher #73500151, Warrant #415577 Department of Environmental Protection, General Fund	\$ 80.00
2.	Allegheny Township, Somerset County Payment of Wage Tax Transfer Voucher #78100432, Warrant #416472 Executive Offices, General Fund	713.64
3.	Fairhope Township, Somerset County Payment of Wage Tax Transfer Voucher #78100432, Warrant #416472 Executive Offices, General Fund	34.94
4.	Fairhope Township, Somerset County Payment of Liquor License Fees Transfer Voucher #78000006, Warrant #436523 Pa. Liquor Control Board, Liquor License	150.00
5.	Franklin Township, Chester County Payment of State Police Fines & Penalties Transfer Voucher #76127136, Warrant #409737 Department of Transportation, Motor License Fund	972.37
	TOTAL	\$1,950.95

Approved By: _____
Executive Deputy State Treasurer
for Financial Operations