

§2320. Finance -- Article IX

1. Budget. The governing board shall submit to the executive head or designated officer or officers of each party state a budget for the insurance fund for such a period as may be required by the laws of that party state for presentation to the legislature thereof.

[PL 2005, c. 147, §1 (NEW).]

2. Recommendations. Each budget must contain specific recommendations of the amount or amounts to be appropriated by each party state. The requests for appropriations must be appropriated among the party states as follows: one tenth of the total budget in equal shares and the remainder in proportion to the value of agricultural and forest crops and products, excluding animals and animal products, produced in each party state. In determining the value of the crops and products, the insurance fund may employ any source or sources of information that in its judgment presents the most equitable and accurate comparison among the party states. Each budget and request for appropriations must indicate the source or sources used in obtaining information concerning the value of the products.

[PL 2005, c. 147, §1 (NEW).]

3. Accounts. The financial assets of the insurance fund must be maintained in 2 accounts to be designated as the "operating account" and the "claims account." The operating account consists only of those assets necessary for the administration of the insurance fund during the next ensuing 2-year period. The claims account contains all money not included in the operating account and may not exceed the amount reasonably estimated to be sufficient to pay all legitimate claims on the insurance fund for a period of 3 years. When the claims account has reached its maximum limit or would reach its maximum limit by the addition of money requested for appropriation by the party states, the governing board shall reduce its budget request on a pro rata basis in such a manner as to keep the claims account within the maximum limit. Any money in the claims account by virtue of conditional donations, grants or gifts must be included in calculations made pursuant to this subsection only to the extent that such money is available to meet demands arising out of claims.

[PL 2005, c. 147, §1 (NEW).]

4. Pledge of credit. The governing board may not pledge the credit of any party state. The governing board may meet any of its obligations in whole or in part with money available to it under section 2315, subsection 7 if the governing board takes specific action setting aside the money prior to incurring any obligation to be met in whole or in part in such a manner. Except when the insurance fund makes use of money available to it under section 2315, subsection 7, the governing board may not incur any obligation prior to the allotment of money by the party states adequate to meet the obligation.

[PL 2005, c. 147, §1 (NEW).]

5. Records. The governing board shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the insurance fund are subject to audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the insurance fund must be audited yearly by a certified or licensed public accountant, and a report of the audit must be included in and become part of the annual report of the insurance fund.

[PL 2005, c. 147, §1 (NEW).]

6. Inspection of accounts. The accounts of the insurance fund must be open at any reasonable time for inspection by duly authorized officers of the party states and by any persons authorized by the governing board.

[PL 2005, c. 147, §1 (NEW).]

SECTION HISTORY

PL 2005, c. 147, §1 (NEW).

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