Article VIII, Section 2 of the Wisconsin Constitution states, “No money shall be paid out of the treasury except in pursuance of an appropriation by law. No appropriation shall be made for payment of any claim against the state except claims of the United States and judgments, unless filed within six years after the claim accrued.”

S. 20.903 Wis. Stat. states that “Except as provided in s.20.002 (11), no state agency, and no officer or employee thereof, may contract or create, directly or indirectly, any debt or liability against the state for or on account of any state agency, for any purpose, without authority of law therefor, or prior to an appropriation of money by the state to pay the debt or liability, or in excess of an appropriation of money by the state to pay such debt or liability. Any arrangement made by a state agency, or any officer or employee thereof, with a vendor or contractor to deliver merchandise or provide services and inordinately delay the billing for such merchandise or services for the purpose of circumventing budgetary intent is a violation of this subsection. Unless otherwise empowered by law, no state agency may authorize, direct or approve the diversion, use or expenditure, directly or indirectly, of any money or property belonging to, or appropriated or set aside by law for a specific use, to or for any other purpose or object than that for which the same has been or may be so set apart. Nothing in this subsection may be construed to prevent the employment of the inmates or ordinary laborers at any institution to aid in the prosecution of work for which appropriations have been made. Whenever any state agency obtains information or evidence of a possible violation of this subsection, it shall provide the information or evidence to the joint committee on finance and the secretary of administration. Any person who violates this section may be required to forfeit not less than $200 nor more than $1,000.”

POLICIES

1. Both the Wisconsin Constitution and state statutes require an appropriation of money before any payments can be made from the treasury.
2. There is a six year statute of limitations on payments from the treasury. Claims against the state that are more than six years old may not be paid unless one of the exceptions provided in the Wisconsin Constitution is met.
3. Penalties are provided in the statutes if these policies are violated.