

**WEST VIRGINIA
SECRETARY OF STATE**

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #3

FILED

JUL 3 2 15 PM '97

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE
AND
FILING WITH THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE**

AGENCY: State Treasurer's Office TITLE NUMBER: 112CSR3

CITE AUTHORITY W.V. Code Section 12-2-2

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: 3

TITLE OF RULE BEING PROPOSED: Establishment Of Imprest Funds.

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE FOR THEIR REVIEW.


Authorized Signature

DATE: July 3, 1997

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: State Treasurer's Office

LEGISLATIVE RULE TITLE: Establishment Of Imprest Funds. (112CSR3)

1. Authorizing statute(s) citation W.V. Code Section 12-2-2

2. a. Date filed in State Register with Notice of Hearing

May 30, 1997

b. What other notice, including advertising, did you give of the hearing?

Mailed notification of hearing to: W.V. Governor, Auditor,
President of the Senate, Speaker of the House of Delegates,
Secretary of Administration.

c. Date of Hearing(s) June 30, 1997

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.

Attached X No comments received X

e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)

July 3, 1997

f. Name and phone number(s) of agency person(s) to contact for additional information:

Anoop K. Bhasin (304) 341-0704

State Capitol Complex, Rm E-122, Charleston, WV 25305

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation: N/A

a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

b. Date of hearing: _____

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

d. Attach findings and determinations and reasons:

Attached _____

Public Hearing on State Treasurer's Office Rules, Series, 3, 4, 6, 7, 8, 9 and 10
 Capitol Complex Conference Center, Room B
 June 30, 1997 at 10:00 p.m.

Registration Document Page 1 of 1

Name	Agency/ Organization	Mailing/Inter Dept. Address	Phone	Note
Jim McMillon	State Treasurer's Office	Room EB56	341-0727	
Anoop K. Bhojin	"	Rm E-122	558-5000	
Jerry Simpson	"	"	"	
Ratna Baggess	"	"	"	
DANIEL E. CANIEL	ONE VALLEY BANK	ONE VALLEY SQUARE CHICAGO 20324	346-7078	
John Shumate	State Treasurer's Office	Room E-145	558-5000	
BRYAN W. ARCHER	"	Room E-122	8-5000	
Glenda Prabst	"	"	558-5000	

SUMMARY OF PROPOSED RULE

TITLE 112

LEGISLATIVE RULE

STATE TREASURER'S OFFICE

SERIES 3

ESTABLISHMENT OF IMPREST FUNDS

"Imprest Fund" means a cash change fund in a fixed amount maintained at an agency. Such fund may also be used for the purpose of cashing checks for students at state colleges and universities in West Virginia.

This rule implements the provisions of section two, article two, chapter twelve of the Code of West Virginia, 1931, as amended, wherein the State Treasurer is required to establish and audit imprest funds. This rule carries out the legislative intent, as stated in the aforementioned Code section, so that the State Treasurer may establish, control, and audit imprest funds.

STATEMENT OF CIRCUMSTANCES OF PROPOSED RULE

TITLE 112

LEGISLATIVE RULES

STATE TREASURER'S OFFICE

SERIES 3

ESTABLISHMENT OF IMPREST FUNDS

This agency approved rule is needed to comply with provisions of W. Va. Code embodied in Senate Bill 563, passed during the 1997 Regular Legislative Session, effective from passage on April 12, 1997. Senate Bill 563 expanded some of the State Treasurer's functions and duties and transferred several functions and duties of the West Virginia State Board of Investments to the State Treasurer's Office. Without this rule, the public interest can be substantially harmed, in that there would be no system in place to establish or control imprest funds.

"Imprest Fund" means a cash change fund in a fixed amount maintained at an agency. Such fund may also be used for the purpose of cashing checks for students at state colleges and universities in West Virginia. When such funds are necessary to be established, sound cash management requires the control and audit of such imprest funds.

This rule implements the provisions of section two, article two, chapter twelve of the Code of West Virginia, 1931, as amended, wherein the State Treasurer is required to establish and audit imprest funds. This rule carries out the legislative intent, as stated in the aforementioned Code section, so that the State Treasurer may establish, control, and audit imprest funds.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Establishment of Imprest Funds (112CSR3)

Type of Rule: X **Legislative** **Interpretive** **Procedural**

Agency State Treasurer's Office

Address State Capitol, Room E-145
Charleston, West Virginia 25305

Contact Person: Anoop Bhasin - Telephone (304) 341-0704

1. Effect of Proposed Rule

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
ESTIMATED TOTAL COST	\$ 14,918	\$ -0-	\$ 10,732	\$ 25,650	\$ 25,650
PERSONAL SERVICES	14,918	-0-	10,732	25,650	25,650
CURRENT EXPENSE	-0-	-0-	-0-	-0-	-0-
REPAIRS & ALTERNATIONS	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-

2. Explanation of above estimates:

Four (4) field representatives working at 15% of their time to audit Imprest Funds across the State.

3. Objectives of these rules:

To correctly identify and audit all monies in Imprest Funds statewide.

Rule Title: Establishment of Imprest Funds (112CSR3)

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

Current staff will perform audits, therefore no additional economic impact.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.

None

C. Economic Impact on Citizens/Public at Large.

N/A

Date: 5/30/97

Signature of Agency Head or Authorized Representative

John Perdue

TITLE 112
LEGISLATIVE RULE
STATE TREASURER'S OFFICE

SERIES 3
ESTABLISHMENT OF IMPREST FUNDS

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

§112-3-1. General.

1.1. Scope. -- These legislative rules implement the provisions of section two, article two, chapter twelve of the Code of West Virginia, 1931, as amended, wherein the State Treasurer is required to establish and audit imprest funds. The purpose of these rules is to carry out the legislative intent, as stated in the aforementioned Code section, so that the State Treasurer may establish, control, and audit imprest funds.

1.2. Authority. -- W. Va. Code §12-2-2.

1.3. Filing Date. --

1.4. Effective Date. --

1.5. Repeal of former rule -- This legislative rule repeals and replaces WV 112CSR3 "Establishment of Imprest Funds" filed March 10, 1984 and effective March 10, 1984.

§112-3-2. Definitions.

For purposes of these rules, unless a different meaning is clearly required by the context:

2.1. "Agency" means and includes any department, board, commission, division, branch office or other separate unit of a state agency, and any officer or employee thereof, who or which collects moneys due the state;

2.2. "Code" means the 1931 Code of West Virginia, as amended;

2.3. "Imprest Fund" means a cash change fund in a fixed amount maintained at the agency. Such fund may also be used for the purpose of cashing checks for students at state colleges and universities in West Virginia; and

2.4. "Treasurer" means the West Virginia State Treasurer.

112-3-3. Establishment Of Imprest Funds.

Any state agency requiring the establishment of an imprest fund shall make application to the State Treasurer on the forms prescribed by him. Such forms shall indicate the name, purpose, desired balance of, and the person responsible for the imprest fund as well as the agency name. Upon being satisfied that the application is complete and that the need for the imprest fund is valid, the State Treasurer shall notify the agency of the approval for establishment of the imprest fund. By sending copies of the approval notice, he shall also notify the State Auditor and Legislative Auditor.

Any college or university with the approval of the Treasurer may provide a check-cashing service at that institution and may charge fees for such service for each check cashed and for each check returned for

insufficient funds. That institution shall designate certain employees who are to provide the service and have charge of such funds.

The fees received for such service shall be maintained separate from the cash fund and an itemized account of such receipts shall be maintained. Any check determined by the Treasurer or his designee to be uncollectible shall be charged against the fund. If the amount of cash fund (after charges for uncollectible checks) exceeds established amount at the conclusion of any audit, the institution shall deposit such excess to the account from which the fund was established.

Any shortages due to human error may be corrected by charging them against the fees received for such service.

§112-3-4. Increasing Or Decreasing The Balance.

Whenever an agency determines that there is a need to increase or decrease the balance of an imprest fund, the agency shall make application to the State Treasurer on the forms prescribed by him. Such forms shall indicate the agency name, name of the imprest fund, current authorized balance, requested balance to be authorized, the reasons therefore, and the amount of increase or decrease. By sending copies of the approved form, the Treasurer shall notify the State Auditor and Legislative Auditor.

§112-3-5. Change Of Person Responsible For The Imprest Fund.

Whenever an agency has a change in personnel responsible for an imprest fund, the agency shall notify the Treasurer of the change on a form prescribed by him. Such form shall indicate the agency name, name of the imprest fund, the balance of the imprest fund on the date of the change in personnel, the signatures of the person being relieved of responsibility and the person assuming the responsibility, along with the dates said signatures were affixed. By copy of the approved form, the Treasurer shall notify the Legislative Auditor.

§112-3-6. Audit And Recordkeeping.

The Treasurer or his designee shall annually audit all imprest funds. Any overage shall be deposited to the account from which the fund was established. Any shortages due to human error may be corrected by replenishing the fund through the procedures from Section 4 of these rules to increase the fund to the correct amount. He shall send a copy of such audits to the Legislative Auditor. The Treasurer or his designee shall prepare a list of all imprest funds showing the location and amount as of fiscal year end, retaining such list as a permanent record of the Treasurer's Office until such time as the Legislative Auditor shall have completed an audit of the imprest funds of all agencies and institutions involved.

**STATEMENT CONCERNING PUBLIC HEARING CONDUCTED JUNE 30, 1997,
AT 10 A.M. AT THE STATE CAPITOL COMPLEX CONFERENCE CENTER,
CONCERNING PROPOSED LEGISLATIVE RULES
DESIGNATED TITLE 112, SERIES 3, 4, 6, 7, 8, 9 AND 10
FOR THE STATE TREASURER'S OFFICE**

Hearing times. The above titled public hearing was opened at 10:09 a.m. after registering all attendees and adjourned at 10:16 a.m.

Attendees. The attendees were: from One Valley Bank in Charleston, Mr. Daniel E. Lanier; and from the State Treasurer's Office, Mr. Jim McMillon, Mr. Anoop K. Bhasin, Mr. Jerry Simpson, Ms. Ratha Boggess, Mr. John Shumate, Mr. Bryan Archer, and Ms. Glenda Probst.

Hearing proceedings. Jim McMillon conducted the hearing. He indicated that notice of this public hearing was filed May 30, 1997 with the Secretary of State and the Legislative Rule Making Review Committee concerning the above titled rules. He asked if anyone had any written comments to submit concerning any of the above titled series of rules. There were no written comments. He asked if there were any verbal or oral comments concerning the above titled series of rules. Mr. Lanier offered only two oral comments (to Series 6 rule, "Selection of State Depositories for Disbursement Accounts Through Competitive Bidding") listed below. There were no other oral comments regarding any of the other series of rules.

Oral comments received and responses to the oral comments concerning Series 6 rule. This is a summary of the oral comments received and responses thereto:

Comment No. 1. Section 3.5 states in part: "...On the date and time set for the bid opening, the bids shall be publicly opened and read aloud..." Will the identity of each bidder be disclosed as part of the reading?

Response to Comment No. 1. Yes, as well as the amount and any other pertinent information.

Comment No. 2. Section 3.2 states in part: "...At least twenty-five (25) days prior to the date on which bids will be opened, the Treasurer shall mail to every eligible depository notice that bids will be invited on one or more designated disbursement accounts..." Is it possible that this notification will be given more than 25 days in advance?

Response to Comment No.2. Yes. This section sets a minimum notification period. As a matter of practice, the notification may be more than 25 days in advance.

Amendments made/recorded and reasons. No amendments to any of the rules are proposed. Comments no. 1 and 2 to Series 6 rule, request an interpretation. It is believed that the responses to comments no. 1 and 2 adequately clarify/interpret the items without need for changes to the language.