

**WEST VIRGINIA  
SECRETARY OF STATE**

**KEN HECHLER**

**ADMINISTRATIVE LAW DIVISION**

Form #3

**FILED**

**JUL 3 2 17 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: 112CSR4

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: 4

TITLE OF RULE BEING PROPOSED: Procedure For Deposit Of Monies

With The State Treasurer's Office By State Agencies.

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: Procedure For The Deposit Of Monies  
With The State Treasurer's Office By State Agencies. (112CSR4)

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 E-56	341-0727	
Anoop K. Bhasin	"	Rm E-122	558-5000	
Jerry Simpson	"	"	"	
Ratna Boggess	"	"	"	
DANIEL E. CANIEL	ONE VALLEY BANK	ONE VALLEY BANK CHAS. 2134	344-7078	
John Shumate	State Treasurer's Office	Room E-145	568-5000	
BRYAN W. ARCHER	"	Room E-122	8-5000	
Glenda Probst	"	"	558-5000	

**SUMMARY OF PROPOSED RULE**

**TITLE 112**

**LEGISLATIVE RULE**

**STATE TREASURER'S OFFICE**

**SERIES 4**

**PROCEDURE FOR DEPOSIT OF MONEYS WITH THE  
STATE TREASURER'S OFFICE BY STATE AGENCIES**

This rule establishes a system whereby moneys received by State agencies, officials and employees on behalf of the State of West Virginia shall be 1) deposited with the State Treasurer's Office within twenty-four hours of receipt, 2) immediately and properly accounted for, and 3) immediately available for investment by the State.

**STATEMENT OF CIRCUMSTANCES OF PROPOSED RULE**

**TITLE 112  
LEGISLATIVE RULE**

**STATE TREASURER'S OFFICE**

**SERIES 4**

**PROCEDURE FOR DEPOSIT OF MONEYS WITH THE  
STATE TREASURER BY STATE AGENCIES**

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 no system would be in place to immediately and properly deposit and account for moneys received by the State.

This rule establishes a system whereby moneys received by State agencies, officials and employees on behalf of the State of West Virginia shall be 1) deposited with the State Treasurer's Office within twenty-four hours of receipt, 2) immediately and properly accounted for, and 3) immediately available for investment by the State. This purpose is in keeping with the legislative findings and purpose set forth in W. Va. Code §12-1-1, wherein the State Treasurer's Office is authorized to develop and maintain modern systems, consistent with sound financial practices, for the collection, disbursement, management and investment of public moneys. These rules also are specifically directed toward implementing the Legislature's intent in W. Va. Code §12-1-2, wherein State officers and employees are prohibited from making or causing deposits of State moneys to be made in any bank not designated as an authorized depository by the State Treasurer's Office.

**APPENDIX B**

**FISCAL NOTE FOR PROPOSED RULES**

**Rule Title:** Procedure for Deposit of Moneys with the State Treasurer's Office by State Agencies (112CSR4)

**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	HEREAFTER
<b>ESTIMATED TOTAL COST</b>	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>PERSONAL SERVICES</b>					
<b>CURRENT EXPENSE</b>					
<b>REPAIRS &amp; ALTERNATIONS</b>					
<b>EQUIPMENT</b>					
<b>OTHER</b>					

**2. Explanation of above estimates:**

Current staff handles all deposits.

**3. Objectives of these rules:**

When monies are deposited, the State begins earning interest immediately. The State has an obligation to generate as much interest income as possible on all deposits.

**Rule Title:** Procedure for Deposit of Moneys with the State Treasurer's  
Office by State Agencies (112CSR4)

**4. Explanation of Overall Economic Impact of Proposed Rule.**

**A. Economic Impact on State Government.**

Additional interest revenue

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

None

**C. Economic Impact on Citizens/Public at Large.**

None

**Date:** 5/30/97

**Signature of Agency Head or Authorized Representative**

*John Perdue*

TITLE 112  
LEGISLATIVE RULE  
STATE TREASURER'S OFFICE

FILED

JUL 3 2 17 PM '97

SERIES 4  
PROCEDURE FOR DEPOSIT OF MONEYS WITH THE  
STATE TREASURER'S OFFICE BY STATE AGENCIES

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

§112-4-1. General.

- 1.1. Scope. -- These rules implement the provisions of W. Va. Code §12-2-2.
- 1.2. Authority. -- W. Va. Code §12-2-2.
- 1.3. Filing Date. --
- 1.4. Effective Date. --

1.5. Purpose - The general purpose of these rules is to establish a system whereby moneys received by State agencies, officials and employees on behalf of the State of West Virginia shall be 1) deposited with the Office of the State Treasurer within twenty-four hours of receipt, 2) immediately and properly accounted for, and 3) immediately available for investment by the State. This purpose is in keeping with the legislative findings and purpose set forth in W. Va. Code §12-1-1, wherein the Office of the State Treasurer is authorized to develop and maintain modern systems, consistent with sound financial practices, for the collection, disbursement, management and investment of public moneys. These rules also are specifically directed toward implementing the Legislature's intent in W. Va. Code §12-1-2, wherein State officers and employees are prohibited from making or causing deposits of State moneys to be made in any bank not designated as an authorized depository by the Office of the State Treasurer.

§112-4-2. Definitions.

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

- 2.1. "Agency" means and includes any department, board, commission, division, branch office or other separate unit of State government, and any officer or employee thereof, who or which collects moneys due the State;
- 2.2. "Centralized Receipts Processing Center" (CRPC) means a central location operated by the Treasurer for receiving, processing and depositing all funds due the State.
- 2.3. "Check" includes a bank draft, bank wire, money order, cashier's check, check written on the payor's checking account, and any other non-cash payment of funds due the State;
- 2.4. "Code" means the 1931 code of West Virginia, as amended;
- 2.5. "Fund" means demand deposit account balances the Treasurer has use of;
- 2.6. "Lock Box" means a cash management system whereby moneys due a State agency are mailed to

a post office box near the "CRPC". The CRPC collects the receipts from the lock box and processes both the receipt document and the check;

2.7. "Receipt Account" means an account in which moneys are deposited belonging to or due the State of West Virginia or any of its agencies thereof; and

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

### **§112-4-3. Procedures for Deposits.**

3.1. Receipts Depositories - State depositories for receipt accounts shall be established by the Treasurer pursuant to the provisions of W. Va. Code §12-1-2 and rules promulgated thereunder. An agency collecting funds shall deposit its collections in a depository designated by the Treasurer to serve as a depository for that agency's receipt accounts.

#### 3.2. Methods for Depositing Funds Due the State -

3.2.1. Checks - An agency shall deposit its check collections by any one or more of the following methods:

3.2.1.a. The agency's own employees may take the checks directly to the designated receipt depository;

3.2.1.b. agency may use the services of a courier or armored car service engaged by the agency to pick up deposits and deliver them to the designated depository;

3.2.1.c. The agency may use the services of a courier engaged by the Treasurer to pick up deposits from such agency and deliver them to such designated depository;

3.2.1.d. agency may use any other method approved in writing by the Treasurer;

3.2.1.e. Treasurer may provide a lock box at the Treasurer's centralized receipts processing center for direct processing of an Agency's receipts.

3.2.2. Cash - An agency shall deposit its cash collections by any one or more of the methods authorized for deposit of checks by the Treasurer. In addition, an agency may use the safekeeping services of a night depository at any bank of the agency's choice.

3.2.3 Credit Cards - Agencies may accept credit card payments, using any one or more of the methods prescribed by the Treasurer: physical, voice payment system, or written.

3.2.4 Direct Deposit - Upon approval from the Treasurer, an agency shall deposit its electronic collections at the depository that the Treasurer has established to receive electronic collections by two methods: FEDWIRE or an ACH (Automated Clearing House) transaction.

3.3 Bank Deposit Forms - The agency collecting funds shall make its deposits using a form which shall be prescribed by the Treasurer.

3.4. Processing Deposit Forms - The Treasurer shall prescribe the method by which all deposit forms shall be processed.

3.5. Redeposit of State Checks - When an agency redeposits State checks, such deposits shall be made either at the designated depository or directly to the Treasurer's office. If made at the designated depository, the procedure shall be the same as with any other deposit. Redeposits, when made directly to the Treasurer's office, shall be made on forms prescribed by the Treasurer's office together with the checks being redeposited.

3.6. Endorsement of Deposited Checks - Except for redeposits of State checks, all checks received and deposited by agencies shall be endorsed as in the following example:

STATE OF WEST VIRGINIA  
(AGENCY'S NAME)  
FOR DEPOSIT ONLY  
PAY TO THE ORDER OF  
ANY BANK OR BANKER  
NO PROTEST

When a State check is redeposited, the check shall be endorsed as in the following example:

JOHN DOE  
ABSENCE OF ENDORSEMENT  
GUARANTEED. REDEPOSIT TO  
ACCOUNT NO. 1600-00-009-01  
(REGULAR ENDORSEMENT STAMP  
AS SHOWN ABOVE)

3.7. Adjustments and Returned Checks - Whenever debit or credit tickets for adjustments to a previous deposit for returned checks are received by an agency from a depository, the agency shall process such debit or credit tickets by such means and on such forms as determined by the Treasurer.

3.8. Frequency of Deposits - The collecting agency shall deposit all receipts daily in the designated depository.

3.9. Clearing Accounts - The requirements of Subsection 3.10 shall apply to every agency, notwithstanding that at the time of making the deposit the agency may not know the exact general ledger account for preparation of the Treasurer's Deposit Form. In the latter event, the agency shall obtain approval from the State Auditor to use a general ledger clearing account, and such agency shall record its deposits in such general ledger clearing account. When the agency thereafter determines the exact general ledger accounts applicable to the funds deposited in the general ledger clearing account, it shall prepare a Treasurer prescribed "Revenue Transfer" and transfer the funds from the general ledger clearing account to the appropriate general ledger receipt accounts.

3.10. Applicability of These Rules - It is presumed that all moneys collected or held by State agencies in the form of cash, undeposited checks, bank accounts, or in any other form, are public moneys subject to the requirements of W. Va. Code §12-1-2 and of these rules. In the event any agency believes that all or part of these rules may not apply to its operations and collections, or that all or part of the moneys held by it may not be governed by these rules, it shall submit to the Treasurer a written statement of the reasons for such belief. The agency shall also furnish an itemization and accounting of the moneys in question currently held by it, with the name of the bank, bank account number, and the name and purpose of the account in which the moneys in question are deposited.

**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.