

**WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION**

Form #6

FILED
MAY 6 3 34 PM '98
OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED
BY THE WEST VIRGINIA LEGISLATURE.**

AGENCY: West Virginia State Treasurer TITLE NUMBER: 112

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: Series 4

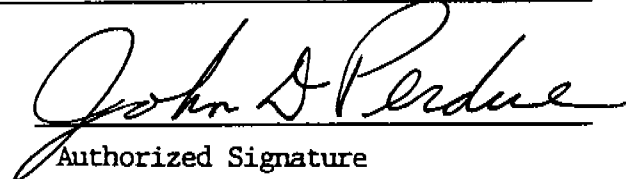
TITLE OF RULE BEING PROPOSED: 112 - Procedure for Deposit of Moneys
with the State Treasurer's Office by State Agencies

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) S.B. 329

SECTION 64-9-28, PASSED ON March 14, 1998

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON
THE FOLLOWING DATE: May 7, 1998


Authorized Signature

\$2.00

**TITLE 112
LEGISLATIVE RULE
STATE TREASURER'S OFFICE**

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

Promulgation History

Filed for hearing	May 30, 1997
Hearing held	June 30, 1997
Filed emergency rule	May 30, 1997
Withdrew emergency rule	July 11, 1997
Agency approved rule filed with Secretary of State	July 3, 1997
Modified and approved by Legislative Rule Making Committee	August 22, 1997
Filed with Legislative Rule Making Committee	August 28, 1997
Approved in S.B. 329	March 14, 1998
Final filed	May 6, 1998
Effective date	May 7, 1998

TITLE 112
LEGISLATIVE RULE
STATE TREASURER'S OFFICE

SERIES 4
PROCEDURE FOR DEPOSIT OF MONEYS WITH THE
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§112-4-1. General.

- 1.1. Scope. -- This rule implements the provisions of W.Va. Code §12-2-2.
- 1.2. Authority. -- W.Va. Code §12-2-2.
- 1.3. Filing Date. -- May 6, 1998
- 1.4. Effective Date. -- May 7, 1998

1.5. Purpose -- The general purpose of this rule is to establish a system by which 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, which authorize the Office of the State Treasurer to develop and maintain modern systems, consistent with sound financial practices, for the collection, disbursement, management and investment of public moneys. This rule also is 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 this rule, 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 of the agency, 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. "Fund" means demand deposit account balances of which the Treasurer has use;

2.5. "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;

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

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

§112-4-3. Procedures for Deposits.

3.1. Receipts Depositories - The Treasurer shall establish state depositories for receipt accounts pursuant to the provisions of W.Va. Code §12-1-2 and this rule. 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. An 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 the agency and deliver them to the designated depository; or

3.2.1.d. An agency's may use a lockbox, provided by Treasurer at his or her direction, at the Treasurer's centralized receipts processing center for direct processing.

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

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 presentment of a credit card, verbal presentment by a voice payment system, or written authorization.

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 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, the deposits shall be made either at the designated depository or directly to the Treasurer's office.

3.6. Endorsement of Deposited Checks - Except for redeposits of State checks, the Treasurer shall endorse all checks received and deposited by agencies 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 Treasurer shall endorse the check 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 the debit or credit tickets by the means and on the forms prescribed 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 of this rule apply to every agency, notwithstanding that at the time of making the deposit the agency may not know the exact general ledger receipt account for preparation of the Treasurer's Deposit Form. If the agency does not know the exact general ledger receipt account, the agency shall obtain approval from the State Auditor to use a general ledger clearing account, and the agency shall record its deposits in the general ledger clearing account. When the agency 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 This Rule - 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 this rule. In the event any agency believes that all or part of this rule may not apply to its operations and collections, or that all or part of the moneys held by it may not be governed by this rule, it shall submit to the Treasurer a written statement of the reasons for that belief. If the Treasurer disagrees with the agency's written statement, the agency must then deposit the funds in accordance with the requirements of W.Va. Code §12-2-2. 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.

ANALYSIS OF PROPOSED LEGISLATIVE RULES

Agency: State Treasurer's Office

Subject: Procedure for Deposit of Monies With the State
Treasurer's Office By State Agencies, 112CSR4

PERTINENT DATES

Filed for public comment: May 30, 1997
Public comment period ended: June 30, 1997
Filed following public comment period: July 3, 1997
Filed LRMRC: July 7, 1997
Filed as emergency: May 30, 1997

Fiscal Impact: None

ABSTRACT

The proposed rule is new. The following is a section by section synopsis of the proposed rule.

Section 1 is the standard general section, setting forth the scope, authority, filing date and effective date of the proposed rule.

Section 2 defines terms.

Section 3 sets forth the procedures for deposits. It sets forth the methods which an agency may use to deposit checks and cash collections and provides for the acceptance of credit card payments and for direct deposit.

This section also provides that where an agency does not know the exact general ledger account for preparation of the deposit form, it may obtain approval from the Auditor to deposit the monies in a general ledger clearing account subject to later transfer to the appropriate account.

This section also prescribes a method whereby an agency may provide a written statement to the Treasurer setting forth the agency's belief that this rule does not apply to its operations and collections or to all or part of the moneys held by it.

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

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FILED

AUTHORITY

Statutory authority: W.Va. Code, §12-2-2, which provides, in part, as follows:

(a) All officials and employees of the state authorized by statute to accept moneys due the state of West Virginia shall keep a daily itemized record of moneys so received for deposit in the state treasury and shall deposit within twenty-four hours with the state treasurer all moneys received or collected by them for or on behalf of the state for any purpose whatsoever. The treasurer shall be authorized to review the procedures and methods used by officials and employees authorized to accept moneys due the state and change such procedures and methods if he or she determines it to be in the best interest of the state: *Provided*, That the treasurer shall not be authorized to review or amend the procedures by which the department of tax and revenue accepts moneys due the state. The treasurer shall propose rules, in accordance with the provisions of article three, chapter twenty-nine-a of this code governing the procedure for deposits...

ANALYSIS

I. HAS THE AGENCY EXCEEDED THE SCOPE OF ITS STATUTORY AUTHORITY IN APPROVING THE PROPOSED LEGISLATIVE RULE?

No.

II. IS THE PROPOSED LEGISLATIVE RULE IN CONFORMITY WITH THE INTENT OF THE STATUTE WHICH THE RULE IS INTENDED TO IMPLEMENT, EXTEND, APPLY, INTERPRET OR MAKE SPECIFIC?

Yes.

III. DOES THE PROPOSED LEGISLATIVE RULE CONFLICT WITH OTHER CODE PROVISIONS OR WITH ANY OTHER RULE ADOPTED BY THE SAME OR A DIFFERENT AGENCY?

No.

IV. IS THE PROPOSED LEGISLATIVE RULE NECESSARY TO FULLY ACCOMPLISH THE OBJECTIVES OF THE STATUTE UNDER WHICH THE PROPOSED RULE WAS PROMULGATED?

Yes.

V. IS THE PROPOSED LEGISLATIVE RULE REASONABLE, ESPECIALLY AS IT AFFECTS THE CONVENIENCE OF THE GENERAL PUBLIC OR OF PERSONS AFFECTED BY IT?

Yes.

VI. CAN THE PROPOSED LEGISLATIVE RULE BE MADE LESS COMPLEX OR MORE READILY UNDERSTANDABLE BY THE GENERAL PUBLIC?

No.

VII. WAS THE PROPOSED LEGISLATIVE RULE PROMULGATED IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER 29A, ARTICLE 3 AND WITH ANY REQUIREMENTS IMPOSED BY ANY OTHER PROVISION OF THE CODE?

Yes.

VIII. OTHER.

Counsel has technical modifications to suggest.

6087
112-4

1 Bill-Tre

H. B. 4209

2

(By Delegates Hunt, Linch, Compton, Jenkins,
Faircloth and Riggs)

3

4

[Introduced January 30, 1998; referred to the
Committee on Finance then the Judiciary.]

5

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9

10 A BILL to amend article nine, chapter sixty-four of the
11 code of West Virginia, one thousand nine hundred
12 thirty-one, as amended, by adding thereto a new
13 section, designated section twenty, relating to
14 authorizing the treasurer to promulgate a legislative
15 rule relating to the establishment of imprest funds.

16 *Be it enacted by the Legislature of West Virginia:*

17 That article nine, chapter sixty-four of the code of
18 West Virginia, one thousand nine hundred thirty-one, as
19 amended, be amended by adding thereto a new section,
20 designated section twenty, to read as follows:

21 **ARTICLE 9. AUTHORIZATION FOR MISCELLANEOUS AGENCIES AND**
22 **BOARDS TO PROMULGATE LEGISLATIVE RULES.**

23 §64-9-20. Treasurer.

4209

1 **BOARDS TO PROMULGATE LEGISLATIVE RULES.**

2 **§64-9-20. Treasurer.**

3 The legislative rule filed in the state register on
4 the third day of July, one thousand nine hundred
5 ninety-seven, under the authority of section two, article
6 two, chapter twelve, of this code, modified by the
7 treasurer to meet the objections of the legislative
8 rule-making review committee and refiled in the state
9 register on the twenty-eighth day of August, one thousand
10 nine hundred ninety-seven, relating to the treasurer
11 (procedure for the deposit of moneys with the state
12 treasurer's office by state agencies, 112 CSR 4), is
13 authorized.

14

15 NOTE: The purpose of this bill is to authorize the
16 Treasurer to promulgate a legislative rule relating to the
17 Procedure for the Deposit of Moneys with the State
18 Treasurer's Office By State Agencies.

19

20 This section is new; therefore, strike-throughs and
21 underscoring have been omitted.

112-4

Senate Bill No. 352

1 (By Senator(s) Ross, Anderson, Bowman,
2 Macnaughtan, Boley and Buckalew)

3 [Introduced January 30, 1998; referred to the
4 Committee on Finance; and then to the Committee
5 on the Judiciary.]

6
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15 rule relating to the procedure for the deposit of
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17 agencies.

18 *Be it enacted by the Legislature of West Virginia:*

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