

**WEST VIRGINIA  
SECRETARY OF STATE  
NATALIE E. TENNANT  
ADMINISTRATIVE LAW DIVISION**

Form #2

Do Not Mark In This Box

FILED

2011 JUN 27 PM 1:56

OFFICE OF THE WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE**

AGENCY: State Auditor's Office TITLE NUMBER: 155

RULE TYPE: Legislative CITE AUTHORITY: 12-3-10

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 1

TITLE OF RULE BEING AMENDED: "Standards for Requisitions for Payment Issued By State Officers  
on the Auditor"

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: \_\_\_\_\_

TITLE OF RULE BEING PROPOSED: \_\_\_\_\_

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON July 27, 2011 AT 5:00 p.m. ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS:

WV State Auditor's Office

Capitol Complex, Room W100

Charleston, WV 25305

Attn: Carrie J. Chambers

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.

  
Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL



# State of West Virginia

Office of the State Auditor  
1900 Kanawha Boulevard, East  
State Capitol Complex, Building 1, Room W-100  
Charleston, West Virginia 25305

Glen B. Gainer III  
State Auditor

Telephone: (304) 558-2251  
FAX: (304) 558-5200  
www.wvsao.gov

June 24, 2011

Ms. Judy Cooper  
Director  
Administrative Law Division  
Secretary of State's Office  
Capitol Complex  
Charleston, West Virginia 25305

RE: 155CSR1 – "Standards for Requisitions for Payment Issued by State Officers on the Auditor"

Dear Ms. Cooper:

This letter will serve as my approval to file the above-referenced rule with your office and Legislative Rule-Making Review Committee as "Notice of a Comment Period on a Proposed Rule."

If you should have any questions concerning the above, please call Carrie Chambers in my office at 558-2251. Your assistance in this filing is very much appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "G. B. Gainer III".

Glen B. Gainer III  
State Auditor

GBGIII:cc

Attachment

c: Carrie Chambers

**BRIEF SUMMARY OF PROPOSED AMENDMENTS TO RULE AND STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE**

***155CSR1 – “Standards for Requisitions for Payment Issued By State Officers on the Auditor”***

**155CSR1 Establishes standards for the form and content of requisitions for payment issued by state officers on the Auditor.**

**The Prompt Payment Act was repealed by the 2009 Legislative Session. Subsection 3.9 of this rule has been stricken to conform to this legislation.**

APPENDIX B

**FISCAL NOTE FOR PROPOSED RULES**

155CSR1 - "Standards for Requisitions for Payment Issued by State Officers on the Auditor"

Rule Title: \_\_\_\_\_

Type of Rule:  Legislative  Interpretive  Procedural

Agency: State Auditor's Office

Address: Capitol Complex, Room W100  
Charleston, WV 25305

Phone Number: 304-558-2251 Email: carrie.chambers@wvsao.gov

**Fiscal Note Summary**

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

NONE
------

**Fiscal Note Detail**

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "--")	Next Increase/Decrease (use "--")	Fiscal Year (Upon Full Implementation)
<b>1. Estimated Total Cost</b>	0.00	0.00	0.00
Personal Services	0.00	0.00	0.00
Current Expenses	0.00	0.00	0.00
Repairs & Alterations	0.00	0.00	0.00
Assets	0.00	0.00	0.00
Other	0.00	0.00	0.00
<b>2. Estimated Total Revenues</b>	0.00	0.00	0.00

155CSR1 - "Standards for Requisitions for Payment Issued by State Officers on the Auditor"

Rule Title: \_\_\_\_\_

Rule Title: \_\_\_\_\_

**3. Explanation of above estimates (including long-range effect):**

Please include any increase or decrease in fees in your estimated total revenues.

NONE

**MEMORANDUM**

Please identify any areas of vagueness, technical defects, reasons the proposed rule **would not** have a fiscal impact, and/or any special issues **not** captured elsewhere on this form.

NONE

Date: June 27, 2011

Signature of Agency Head or Authorized Representative

Carrie J. Chambers

TITLE 155  
LEGISLATIVE RULE  
WEST VIRGINIA STATE AUDITOR

FILED  
2011 JUN 27 PM 1:56  
WEST VIRGINIA  
SECRETARY OF STATE

SERIES 1  
STANDARDS FOR REQUISITIONS FOR PAYMENT ISSUED  
BY STATE OFFICERS ON THE AUDITOR

**§155-1-1. General.**

1.1. Scope. -- This rule establishes standards for the form and content of requisitions for payment issued by state officers on the Auditor.

1.2. Authority. -- W. Va. Code §12-3-10.

1.3. Filing Date. -- April 8, 2008.

1.4. Effective Date. -- April 8, 2008.

**§155-1-2. Definitions.**

2.1. Auditor. The Auditor of the State of West Virginia.

2.2. Authorized signature. The written or electronic authorization of a person authorized by the Department of Administration to certify that state agency funds are available to process the relevant transaction.

2.3. Certify. To authenticate or verify that pertinent information is true and accurate by affixation of an authorized signature.

2.4. Change order. An amendment to an original purchasing contract.

2.5. Commodities. Defined in W. Va. Code §§5A-1-1 and 12-3-10f as supplies, material, equipment, contractual services and any other articles or items used by or furnished to a department, agency or institution of State government. Commodities include but are not limited to: Materials, equipment, supplies, printing and automated data processing hardware and software.

2.6. Cover sheet. A printed or electronic document initiated by WVFIMS to be included

with all requisitions submitted to the Auditor for payment.

2.7. Internally Generated Document. A handwritten or electronic document initiated by the spending unit, or a legible vendor's packing slip that has been certified by an authorized agency receiver and contains the required receiving information.

2.8. Invoice. Written, printed or electronic documentation issued by a vendor reflecting the merchandise or service delivered or provided and the cost of the merchandise or service.

2.9. Open-end contract. A contract that has no determined quantity or encumbrance.

2.10. Potential Duplicate. A transaction that has been identified in WVFIMS as a transaction that may already exist.

2.11. Purchasing Card (Card). A credit card issued in the name of an individual employee of the State of West Virginia for official state use.

2.12. Receiving Report. An internally generated document by a spending unit verifying the receipt of commodities.

2.13. Requisition. A written, printed or electronic request for payment issued by a state officer to the Auditor consisting of the documentation required by law, rule or lawful discretion of the Auditor.

2.14. Special Handling. The process which allows a warrant to be returned to the spending unit for distribution.

2.15. Spending Unit. The State of West Virginia and any department, agency, board,

commission, bureau, council, committee, office, authority, subdivision, or institution of the State government for or to which an appropriation has been made or is to be made by the Legislators.

2.16. Statewide contract. A contract that is initiated and maintained by the Department of Administration, Purchasing Division and is open to all state agencies and has no fixed encumbrance.

2.17. West Virginia Financial Information Management Systems (WVFIMS). The centralized accounting system used by all state agencies for processing financial transactions and maintained by the Department of Administration and the Auditor.

2.18. WVFIMS financial code components. The accounting code scheme used in WVFIMS which provides financial information necessary for the processing of financial transactions. The code components are required on all coversheets submitted to the Auditor. The code components are:

2.18.a. FUND. A self-balancing set of accounts containing assets, liabilities, fund balance, revenue and expenditure accounts;

2.18.b. FISCAL YEAR (FY). Represents the fiscal year in which an appropriation was authorized by the Legislature;

2.18.c. ORGANIZATION (ORG). The organizational entity which has management responsibility for a fund;

2.18.d. ACTIVITY (ACT). Represents the activity code corresponding to the budgetary line items in the Legislative Budget Bill;

2.18.e. OBJECT (OBJ). Represents the object code indicating what commodity or service was acquired by the expenditure; and

2.18.f. SOURCE. For revenue accounts, the source code indicates the type of revenue.

### **§155-1-3. Invoice Requirements.**

3.1. Itemization. All invoices submitted to

the Auditor for payment shall contain the following:

3.1.a. An itemized description indicating the type of materials, supplies or service provided;

3.1.b. An invoice or order date and the date of service, if the item to be paid is a service;

3.1.c. Any additional information required by the Auditor; and

3.1.d. All receiving reports which correspond to any and all commodities submitted for payment on the invoice.

3.2. A Miscellaneous itemization. Invoices indicating A miscellaneous as itemization are not acceptable for payment.

3.3. Credits. Invoices including credits shall not require credit memos if the credit is identified on the invoice.

3.4. Previous balances. Invoices including a previous balance require documentation before the previous balance may be paid. Metered utilities are excluded from the provisions of this subsection.

3.5. Vendor information. All invoices submitted to the Auditor shall have an invoice cover sheet containing the same vendor name as that contained on the invoice. If the vendor name on the cover sheet and the invoice are not the same, then the invoice shall indicate that the vendor name on the invoice is that of a division, branch, subsidiary, or is a doing business as (DBA) name of the vendor name contained on the invoice cover sheet. The Auditor shall accept letters of assignment for payments made in care of financial institutions.

3.6. Original invoice. All invoices submitted to the Auditor shall be an original or a certified original. The following are considered original invoices:

3.6.a. Wholly original invoices;

3.6.b. Invoices in which the body is wholly original; the body being that section of

the invoice which contains the itemization, quantity and price of the goods or services;

3.6.c. Invoices reflecting that the invoice is an original, customer copy, remittance copy or billing copy, and in which the body is wholly original;

3.6.d. Computer generated invoices;

3.6.e. Original invoices which are handwritten, typewritten or created in whole, or in part, by a manual stamping device;

3.6.f. Wholly original debt service documents, court orders, electronic funds transfer documents, and liens; and

3.6.g. Electronic requisitions from an authorized spending unit.

3.7. Original invoice certification. Any invoice requiring original certification may be certified by the agency receiving the invoice. These invoices which require two original certifications, one of which must be the Chief Financial Officer of the Department or Agency Administrator, or as determined by the Auditor in emergency situations, are:

3.7.a. Electronically reproduced invoices sent by the invoicing vendor;

3.7.b. Invoices which reflect that they are revised, duplicate or second billing invoices; and

3.7.c. Non-original invoices which are typewritten, handwritten, or created in whole, or in part, by a manual stamping device.

3.8. Cover sheet and Invoice certification. All requisitions submitted to the Auditor shall have an authorized signature on the face of the document.

~~3.9. Invoice date stamp requirement. In order to comply with W. Va. Code §5A-3-54, the Prompt Pay Act of 1990, the Auditor requires that all invoices be date stamped, either manually or electronically, upon receipt by the state agency. If goods are received prior to the receipt of an invoice for the goods, the affixation~~

~~of a date stamp on the invoice indicating the date the invoice was received meets the requirement of this rule. The state agency shall date stamp invoices received prior to the receipt of the relevant goods a second time indicating the date the goods were received. In the absence of a second date stamp indicating that the goods were received after receipt of the invoice, the Auditor shall determine the interest due the vendor by referring to the date of receipt of the invoice. Invoices for services shall not require a second date stamp insofar as the date of service reflected on the invoice constitutes prima facie proof of the date the services were received.~~

3.109. Special Handling. All employee related payment requisitions requiring special handling in WVFIMS shall be certified by the spending unit's Chief Financial Officer or Agency Administrator.

3.110. Potential Duplicate. Transactions identified in WVFIMS as potential duplicate shall be certified by the spending unit's Chief Financial Office or Agency Administrator.

#### **§155-1-4. Electronic Requisition Requirements.**

4.1. The Auditor may accept electronic requisitions for payment from authorized spending units. Electronic requisitions shall:

4.1.a. Be sent with a digital signature using Pretty Good Privacy (PGP) digital signatures.

4.1.b. Be scanned with a minimum 200 dots per inch (DPI) a maximum 300 dots per inch.

4.1.c. Be sent in a Compressed Adobe Portable Document Format (PDF).

4.1.d. Be sent utilizing Web Services or File Transfer Protocol (FTP).

4.1.e. Be sent in black and white only.

4.1.f. Have the corresponding WVFIMS document number, including the preceding "I" alpha character as its file name.

4.1.g. For records requiring long-term retention, not be annotated in order to maintain their legal integrity.

### **§155-1- 5. Receiving Report Requirements.**

5.1. Time of Preparation. All receiving reports shall be prepared within 24 hours after the receipt of the commodities.

5.2. Form. A receiving report shall be in a format approved by the Auditor.

5.3. Itemization. All receiving reports submitted to the Auditor shall contain the following:

5.3.a. An item description for each type of commodity received along with the quantity of each type received in sufficient detail that is in agreement with the vendor invoice and/or contract; and

5.3.b. The date the commodities were received. The actual date on which the commodities were received by the authorized individual.

5.4. Vendor information. All receiving reports submitted to the Auditor shall have the same vendor name as that contained on the invoice and WVFIMS cover sheet. If the vendor name on the receiving report is not the same, then the receiving report shall indicate that the vendor name on the receiving report is that of a division, branch, subsidiary, or is a doing business as (DBA) name of the vendor name contained on the invoice and cover sheet.

5.5. Signed Acknowledgment. All receiving reports shall contain the original signature of the authorized individual designated to receive commodities and prepare receiving reports. This signature acknowledges both receipt and the fact that the commodities received are acceptable for payment. The Signed Acknowledgement must also include the authorized receiver's printed name and user id.

5.6. Receiving Report certification. All requisitions to the Auditor for payment of commodities that do not include a receiving report shall be certified by the Chief Financial

Officer, or Department or Agency Administrator, or as determined by the Auditor in emergency situations.

5.7. Acceptable forms of receiving reports for commodities procured using the card are contained in the State Purchasing Card Policies and Procedures.

### **§155-1-6. Contract Invoice Requirements.**

6.1. Itemization. All invoices submitted to the Auditor for payment against a contract shall contain the following:

6.1.a. An item description, including, but not limited to, model number, quantity and unit price, indicating the type of materials, supplies or service. The materials, supplies or service shall be of the type covered under the contract and the description of the materials, supplies or service shall not conflict with the description contained in the contract; and

6.1.b. The date of service, if the item to be paid is a service. The date shall fall within the contract period.

6.2. Vendor information. All invoices submitted to the Auditor for payment against a contract shall have an invoice cover sheet containing the same vendor name as that contained on the invoice. If the vendor name on the cover sheet and the invoice are not the same, then the state agency shall submit either a change order reflecting the change in vendor name or a statement from the vendor indicating that the vendor name on the invoice is that of a division, branch, subsidiary, or is a doing business as (DBA) name of the vendor name contained on the invoice cover sheet. The name of the state agency on the invoice and invoice cover sheet shall be the same as the name of the state agency on the contract.

6.3. Funding information contract requirements. All contracts and change orders submitted to the Auditor shall include complete WVFIMS financial code component information, excluding statewide and open-end contracts. Complete WVFIMS financial code component information includes the components listed and defined in subsection 2.10 of this rule.

All contracts with encumbered monies shall indicate funding information and the amount allotted to each fund, if more than one is indicated. Statewide and open-end contracts need only indicate AVARIOUS or AMULTIPLE. All cover sheets shall include the funding information indicated on the contract.

7.2.c. The Auditor may suspend cash advance privileges if an agency fails to reconcile properly or determines the funds have been misused.

6.4. Building leases. All building leases are audited in accordance with the Department of Administration's Leasing Division's Guidelines. Time periods are required on all invoices to verify that the time is within the lease period.

6.5. Contract and Change order approvals. All contracts and change orders shall be approved by the following:

6.5.a. The Department of Administration Purchasing Division or an authorized procurement officer, if a Higher Education agency;

6.5.b. The Attorney General, as to form, if the contract exceeds the dollar limits established by the Department of Administration or Higher Education statutes for delegated purchasing authority, or is for the provision of legal services; and

6.5.c. The Attorney General, as to form, if changes are made to contract terms and conditions.

#### **§155-1-7. Travel Reimbursement.**

7.1. All state employee travel reimbursements submitted to the Auditor shall comply with applicable travel rules.

7.2. The Auditor may award cash advances upon written request from the spending unit.

7.2.a. The spending unit shall reconcile cash advances within thirty days of the last date of travel for which the advance was issued.

7.2.b. The Auditor may send notice to the Chief Financial Officer of the spending unit when advances are not reconciled properly.