

SECRETARY OF STATE

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #2

FILED  
JUL 22 3 25 PM '99

OFFICE OF THE SECRETARY OF STATE WEST VIRGINIA

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: Office of the State Auditor TITLE NUMBER: 155

RULE TYPE: Legislative; CITE AUTHORITY Chapter 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 NEW 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 23, 1999 AT 5:00 p.m.

ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS.

Paul S. Mollohan  
Chief Deputy State Auditor  
State Capitol, Building 1, Room W-100  
Charleston, WV 25305

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

Paul S Mollohan

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

3-60

**APPENDIX B**

**FISCAL NOTE FOR PROPOSED RULES**

**Rule Title:** Standards for Requisitions for Payment Issued by State Officers on the Auditor

**Type of Rule:**  Legislative     Interpretive     Procedural

**Agency:** Office of the State Auditor

**Address:** \_\_\_\_\_

**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; ALTERATIONS</b>					
<b>EQUIPMENT</b>					
<b>OTHER</b>					

**2. Explanation of above estimates:**

There are no costs or revenues associated with this rule.

**3. Objectives of these rules:**

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

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

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

None

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

None

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

None

**Date:** June 23, 1999

**Signature of Agency Head or Authorized Representative**

Paul S. Mollohan

Paul S. Mollohan, Chief Deputy State Auditor



State of West Virginia  
OFFICE OF THE STATE AUDITOR  
CHARLESTON 25305

GLEN B. GAINER, III  
STATE AUDITOR

June 23, 1999

PAUL S. MOLLOHAN  
CHIEF CLERK

Judy Cooper  
Director  
Administrative Law Divisions  
Secretary of State  
Charleston. WV 25305

Dear Ms. Cooper

I am submitting a request for a modification to an existing rule, title 155, series 1, for the State Auditor's Office.

The effect of the change is to make minor modifications in order to accommodate electronic submissions of invoices and for electronic approval of invoices.

Sincerely,

A handwritten signature in cursive script that reads "Paul S. Mollohan".

Paul S. Mollohan  
Deputy State Auditor

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TITLE 155  
LEGISLATIVE RULE  
WEST VIRGINIA STATE AUDITOR

OFFICE OF THE 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 proposed 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. -- May 14, 1997.

1.4. Effective Date. -- May 25, 1997.

§155-1-2. Definitions.

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

2.2. Authorized signature. -- The written or electronic authorization signature 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. Coversheet. -- A printed or electronic document initiated by WVFIMS to be included with all requisitions submitted to the Auditor for payment.

2.6. 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.

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

2.8. Requisition. -- A written, printed or electronic request demand or application for payment issued by a state officer ~~on~~ to the Auditor consisting of ~~a coversheet with authorized signature, an invoice and any other~~ documentation required by law, rule or lawful discretion of the Auditor.

2.9. 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 set fixed encumbrance.

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

2.11. 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:

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

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

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

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

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

2.11.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 ~~item~~ itemized description indicating the type of materials, supplies or service provided;

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

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

3.2. "Miscellaneous" itemization. -- Invoices indicating "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 coversheet containing the same vendor name as that contained on the invoice. If the vendor name on the coversheet and the invoice are not the same, then the invoice must ~~reflect~~ 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 coversheet. 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; and

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

3.7. Original invoice certification. -- Any invoice requiring original certification may be certified by the agency receiving the invoice. Those invoices which require original certification are:

3.7.a. Faxed or photocopied invoices;

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. Coversheet/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 shall require 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(s) of service reflected on the invoice constitutes prima facie proof of the date(s) the services were received.

#### §155-1-4. Contract Invoice Requirements.

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

4.1.a. An item description, including, but not limited to, model number(s), 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

4.1.b. The date(s) of service, if the item to be paid is service. The date(s) shall fall within the contract period.

4.2. Vendor information. -- All invoices submitted to the Auditor for payment against a contract shall have an invoice coversheet containing the same vendor name as that contained on the invoice. If the vendor name on the coversheet 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 that the vendor indicating 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 coversheet.

The name of the state agency ~~reflected~~ on the invoice and invoice coversheet shall be the same as the name of the state agency on the contract.

4.3. 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 section 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 "VARIOUS" or "MULTIPLE". All coversheets shall include the funding information indicated on the contract.

4.4. 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.

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

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

4.5.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.

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

**§155-1-5. Travel Reimbursement.**

5.1. All state employee travel reimbursements submitted to the Auditor shall comply with state travel regulations or Higher Education Travel Guidelines. In-state travel reimbursement shall be processed in accordance with those regulations or guidelines.