

WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #2

FILED

JUL 29 2 08 PM '96

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE

AGENCY: West Virginia State Auditor's Office TITLE NUMBER: 155

RULE TYPE: Emergency Legislative; CITE AUTHORITY WV Code §12-3-10

AMENDMENT TO AN EXISTING RULE: YES ___ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: 1

TITLE OF RULE BEING PROPOSED: Standards for Requisitions for Payment

Issued by State Officers on the Auditor

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 August 28, 1996 AT 5:00 p.m.

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

West Virginia State Auditor's Office
State Capitol Building, Room W100
Charleston WV 25305

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


Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

4.20

These proposed rules establish specific standards for the submission of requisitions for payment of claims issued by state officers to the State Auditor.

On March 9, 1996, House Bill 4637 was passed by the West Virginia Legislature. Such bill amended W. Va. Code § 12-3-10 by deleting all general provisions concerning itemization of claims against the state. Thereafter, the Legislature further amended W. Va. Code § 12-3-10 by authorizing the State Auditor to promulgate rules containing specific form and manner requirements with regard to the payment of such claims. These rules accomplish such legislative mandate.

House Bill 4637 became law on June 7, 1996. Therefore, all statutory provisions that the Auditor and state agencies relied upon for instruction with regard to the payment of claims ceased to exist on that date. To fill that void until such time as the State Auditor can promulgate legislative rules through the normal rule-making process, the State Auditor submits these emergency rules. Such emergency rules are submitted to establish form and manner requirements for payment of claims against the state and are necessary for the orderly and efficient operation of state government. Such rules are essential for the immediate preservation of the public interest and the public welfare insofar as they provide a specific manner in which state officers may requisition payment of monies to satisfy the state's obligations in a timely, consistent and systematic manner.

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 West Virginia State Auditor's Office

Address State Capitol Building, Room W100
Charleston WV 25305

1. Effect of Proposed Rule

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
<u>ESTIMATED TOTAL COST</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
PERSONAL SERVICES	0	0	0	0	0
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:

The proposed rule merely provides specific detail with regard to the form and manner of payment requisitions. Such rule largely codifies existing practice at the State Auditor's Office and will not cause any additional expense.

3. Objectives of these rules:

To establish specific standards for the form and manner of requisitions for payment of claims issued by State offices on the State Auditor.

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

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: 7-29-96

Signature of Agency Head or Authorized Representative

John B. Gammis

WEST VIRGINIA STATE AUDITOR
EMERGENCY RULES
STANDARDS FOR REQUISITIONS FOR PAYMENT
ISSUED BY STATE OFFICERS ON THE AUDITOR

SUMMARY OF PROPOSED EMERGENCY RULE AND
STATEMENT OF CIRCUMSTANCES CONSTITUTING EMERGENCY

On March 9, 1996, House Bill 4637 was passed by the West Virginia Legislature. Such bill amended W. Va. Code § 12-3-10 by deleting all general provisions concerning itemization of claims against the state. Thereafter, the Legislature further amended W. Va. Code § 12-3-10 by authorizing the State Auditor to promulgate rules containing specific form and manner requirements with regard to the payment of such claims. These rules accomplish such legislative mandate.

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FILED

155 CSR 1

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TITLE 155
EMERGENCY RULES
WEST VIRGINIA STATE AUDITOR

OFFICE OF 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 emergency 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. -- July 29, 1996.

1.4. Effective Date. -- _____.

§155-1-2. Definitions.

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

2.2. Authorized signature. -- The 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 document initiated by WVFIMS to accompany all requisitions submitted to the Auditor for payment.

2.6. Invoice. -- Documentation issued by a vendor reflecting the merchandise or service delivered or provided and the cost of such merchandise or service.

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

2.8. Statewide contract. -- A contract that is open to all state agencies and has no set encumbrance.

2.9. 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.

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

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

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

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

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

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

2.10.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 description indicating the type of materials, supplies or service provided.

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

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 shall require documentation before the previous balance may be paid. This requirement excludes metered utilities.

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 that the vendor name on the invoice is that of a division, branch, subsidiary, or is a d/b/a name of the vendor name contained on the invoice coversheet. Letters of assignment shall be accepted 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. Original invoices shall be deemed to be the following:

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.

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.

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 as follows:

3.7.a. Faxed or photocopied invoices.

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

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 upon receipt by the state agency. If goods are received prior to the receipt of an invoice for such goods, the affixation of a date stamp on the invoice indicating the date the invoice was received shall meet the requirement of this rule. Invoices received prior to the receipt of the relevant goods, shall be date stamped 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 shall constitute 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. Such materials, supplies or service shall be of the type covered under the contract and the description thereof shall not conflict with the description contained in the contract.

4.1.b. The date(s) of service, if the item to be paid is service. Such 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 agency shall submit either a change order reflecting the change in vendor name or a statement that the vendor name on the invoice is that of a division, branch, subsidiary, or is a d/b/a 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 FUND, FY, ORG, ACT, and OBJ as defined in section 2.10 of these rules. 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. Contract travel reimbursement. -- All invoices submitted to the Auditor for travel reimbursement against a contract shall include the travel allowance under 026 object code on the contract. Such travel shall conform with state travel regulations or Higher Education travel guidelines, unless approval has been obtained from the Travel Management Division of the Department of Administration or from authorized higher education officials. A letter of exemption shall be required from the Travel Management Division of the Department of Administration if such travel does not conform with relevant travel regulations or guidelines. This rule shall not apply if the relevant contract is bid as a flat fee.

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

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

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

4.6.b. The Attorney General, as to form, if the contract exceeds the dollar limits established by the Department of Administration or Higher Education officials.

4.7. Change orders. -- All changes to contracts shall be reflected in the "description of change" section of the change order. Change orders shall be processed in sequence.

4.8. Accepted letters of change. -- Letters reflecting an extension of a contract shall be accepted by the Auditor. Such letter shall state the length of the extension in days and the reason for the extension.

\$155-1-5. Travel reimbursement.

5.1. All 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 such regulations or guidelines.