

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

Form #2

FILED

JUN 15 2 04 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 12-3-10c

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 4

TITLE OF RULE BEING AMENDED: 155, Legislative Rule, West Virginia  
State Auditor, Transaction Fee and Rate Structure

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 14, 1999 AT 12:00, Noon

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

Paul Mollohan  
Building 1, Room W-100  
1900 Kanawha Boulevard, East  
Charleston, WV 25305

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

*Paul Mollohan*

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

SCANNED



State of West Virginia  
OFFICE OF THE STATE AUDITOR  
CHARLESTON 25305

GLEN B. GAINER, III  
STATE AUDITOR

June 15, 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 4, for the State Auditor's Office.

The effect of the change is to delete the last sentence of 3.2 which is the expiration date of the transaction fee.

Sincerely,

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

Paul S. Mollohan  
Deputy state Auditor

FILED

**TITLE 155  
LEGISLATIVE RULE  
WEST VIRGINIA STATE AUDITOR**

JUN 15 2 05 PM '99

**SERIES 4  
TRANSACTION FEE AND RATE STRUCTURE**

OFFICE OF THE WEST VIRGINIA  
SECRETARY OF STATE**§155-4-1. General.**

1.1. Authority -- This rule is issued under authority of the W. Va. Code §12-3-10c.

1.2. Filing Date. -- April 2, 1998.

1.3. Effective Date. -- April 2, 1998.

1.4. This rule authorizes the State Auditor and State Treasurer to assess joint transaction fees for all financial documents that are received by the Auditor to be processed on the State central accounting system.

1.5. W. Va. Code §12-3-10c authorizes the Auditor and Treasurer to assess transaction fees in order to promote and enhance the use of the state purchasing card program established by the provisions of W. Va. Code §12-3-10a and to maintain and develop the fiscal operations and accounting systems of the state.

1.6. A penalty fee may be assessed against spending units of state government who submit claims for payment of goods and services when those claims are authorized to be paid by use of a state purchasing card and the spending unit has failed to utilize the state purchasing card.

1.7. A transaction fee may be assessed for every transaction received electronically or otherwise by the Auditor from spending units of state government.

**§155-4-2. Definitions.**

2.1. "Auditor" means the Auditor of the State of West Virginia.

"OMB" means the Federal agency Office of Management and Budget.

"Purchase Card" or "card" means the charge card authorized by the W. Va. Code §12-3-10a.

"Technology fund" means the fund created in the state treasury as authorized by W. Va. Code §12-3-10c.

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

"West Virginia Financial Information Management System, 'WVFIMS'", means the centralized accounting system used by all state agencies for processing financial transactions and maintained by the Auditor and the Department of Administration.

**§155-4-3. Transaction Fee Structure.**

3.1. The transaction fee structure and rate shall be in compliance with the following federal Office of Management and Budget Circulars: Circular No. A-21, "Cost Principles for Educational Institutions" as amended August 29, 1997; Circular No. A-87, "Cost Principles for State, Local, and Indian Tribal Governments" as amended August 29, 1997; and Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" as amended August 29, 1997.

3.2. The transaction fee structure shall be reviewed each fiscal year by the Auditor and Treasurer to determine whether any changes are required to maintain Federal and state compliance. The fee shall not exceed the lesser of the rate as determined in subsection 3.1 or \$1.00 per transaction. The fee shall be in effect from January 1, 1998 through December 31,

2000.

3.3. The Auditor and Treasurer shall maintain in their respective offices all necessary documentation, including the detailed cost information and financial schedules, that were used in computing the transaction fee rate.

**§155-4-4. Penalty Fee Structure.**

4.1. The Auditor may assess a penalty fee for transactions received for payment when those transactions are authorized to be paid by the state purchasing card and the spending unit did not utilize the state purchasing card. The Auditor shall make provisions for certain purchases, such as emergency purchases or purchases made where the card could not be utilized or other circumstances as determined by the Auditor, to be made without penalty when the card was not used.

4.2. The penalty fee assessed shall be a multiple of the rate per transaction as determined in section 3.1. Beginning January 1, 2000, or thereafter, the penalty fee assessed shall be five times the rate determined in section 3.1.

**§155-4-5. Disposition of Fees.**

5.1. All fees collected shall be deposited in the state treasury and credited to the "Technology Support and Acquisition Fund" as authorized by the W. Va. Code §12-3-10c to be administered and maintained by the Auditor.

5.2. The Auditor and Treasurer shall divide the collections of the fund between their respective offices in the proportionate share that each office's cost is to the total cost in the rate base.

5.3. The Auditor shall make periodic transfers of funds to the Treasurer's Office, as jointly agreed upon, of the funds collected, provided, that at least two transfers occur during each fiscal year.

**§155-4-6. Accounting Requirements.**

6.1. The Auditor shall bill each agency for every transaction, as defined and used in the state's central accounting system, WVFIMS, when received for processing. The Auditor shall calculate and bill each agency on a monthly basis.

6.2. The Auditor and Treasurer shall each maintain in their respective offices financial statements of the technology fund according to generally accepted accounting principles.

6.3. The Auditor and Treasurer shall include the fund financial data for their respective offices in the annual statewide cost allocation plan that is submitted to the Federal agency.

6.4. The fund shall be subject to Federal audit as required for the annual statewide single audit.

**APPENDIX B**

**FISCAL NOTE FOR PROPOSED RULES**

**Rule Title:** Transaction Fee and Rate Structure

**Type of Rule:**  **Legislative**     **Interpretive**     **Procedural**

**Agency:** West Virginia State Auditor

**Address:** State Capitol  
Building 1, Room W100  
Charleston, WV 25305

**1. Effect of Proposed Rule**

	ANNUAL		FISCAL YEAR		
	INCREASE	DECREASE	CURRENT	NEXT	HEREAFTER
<b>ESTIMATED TOTAL COST</b>	\$	\$	\$ 0	\$	\$ 0
<b>PERSONAL SERVICES</b>			0		0
<b>CURRENT EXPENSE</b>			0		0
<b>REPAIRS &amp; ALTERATIONS</b>			0		0
<b>EQUIPMENT</b>			0		0
<b>OTHER</b>			0		0

**2. Explanation of above estimates:**

There is no increase or decrease in costs or revenues.

**3. Objectives of these rules:**

To extend the rules beyond the December 31, 2000 expiration.

**Rule Title:** Transaction Fee and Rate Structure

**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 14, 1999

**Signature of Agency Head or Authorized Representative**

Paul S. Mollohan

Paul S. Mollohan, Chief Deputy State Auditor