

SECRETARY OF STATE

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #3

MAILED
JUL 27 3 46 PM '99

OFFICE OF THE SECRETARY OF STATE WEST VIRGINIA

NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE AND FILING WITH THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

AGENCY: Office of the State Auditor TITLE NUMBER: 155CSR4

CITE AUTHORITY 12-3-10c West Virginia Code

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 4

TITLE OF RULE BEING AMENDED: Transaction Fee and Rate Structure

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED:

TITLE OF RULE BEING PROPOSED:

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE FOR THEIR REVIEW.

Paul S. Mollohan

Authorized Signature

Paul S. Mollohan

Senior Deputy State Auditor



State of West Virginia
OFFICE OF THE STATE AUDITOR
CHARLESTON 25305

GLEN B. GAINER, III
STATE AUDITOR

July 27, 1999

PAUL S. MOLLOHAN
CHIEF CLERK

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

Dear Ms. Cooper

I am submitting the agency final approval for the existing rule, title 155, series 4, for the State Auditor's Office.

The effect of this modification is to remove the expiration date of the transaction fee in paragraph 3.2

The rule was filed for public comment on June 14, 1999 with the period expiring on July 15, 1999. No comments were received.

Sincerely,

Paul S. Mollohan
Senior Deputy State Auditor

DATE: 7/27/99

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM:

Transaction Fee and Rate Structure

LEGISLATIVE RULE TITLE: _____

1. Authorizing statute(s) citation 12-3-10c

2. a. Date filed in State Register with Notice of Hearing
6/14/99 for 30-day public comment

b. What other notice, including advertising, did you give of the hearing?

None

c. Date of Hearing(s) _____

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.

Attached _____ No comments received _____

e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)

7/27/99

f. Name and phone number(s) of agency person(s) to contact for additional information:

Paul S. Mollohan 558-2251

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

NA

b. Date of hearing: NA

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

NA

d. Attach findings and determinations and reasons:

Attached NA

TITLE 155
LEGISLATIVE RULE
WEST VIRGINIA STATE AUDITOR

SERIES 4
TRANSACTION FEE AND RATE STRUCTURE

FILED
JUL 27 3 45 PM '99
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.