

**WEST VIRGINIA
SECRETARY OF STATE**

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #4

FILED

JAN 21 1 23 PM '90

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF RULE MODIFICATION OF A PROPOSED RULE

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

CITE AUTHORITY West Virginia Code 12-3-10c

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: 4

TITLE OF RULE BEING PROPOSED: Transaction Fee and Rate Structure

THE ABOVE PROPOSED LEGISLATIVE RULE, FOLLOWING REVIEW BY THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE IS HEREBY MODIFIED AS A RESULT OF REVIEW AND COMMENT BY THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE. THE ATTACHED MODIFICATIONS ARE FILED WITH THE SECRETARY OF STATE.


Authorized Signature

\$2.80

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

155CSR4

TITLE 155
LEGISLATIVE RULE
WEST VIRGINIA STATE AUDITOR

SERIES 4
TRANSACTION FEE AND RATE STRUCTURE

§155-4-1. General:

1.1 Authority: This rule is issued under authority of the West Virginia Code §12-3-10c.

1.2 Filing Date: _____, 1997

1.3 Effective Date: _____, 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 West Virginia 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 §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 West Virginia Code §12-3-10a.

"Technology fund" means the fund created in the state treasury as authorized by West Virginia 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 West Virginia 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.



WEST VIRGINIA LEGISLATURE
Legislative Rule-Making Review Committee

State Capitol - Room MB-49
Charleston, West Virginia 25305
(304) 347-4840

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

Senator: Mike Ross, Co-Chairman
Delegate: Mark Hunt, Co-Chairman
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January 14, 1998

NOTICE OF ACTION TAKEN BY LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

TO: Ken Hechler, Secretary of State, State Register

TO: Paul S. Mollohan
State Auditor's Office
Building 1 Room W-100
State Capitol Complex

FROM: Legislative Rule-Making Review Committee

PROPOSED RULE: **Transaction Fee and Rate Structure (155CSR4)**

The Legislative Rule-Making Review Committee recommends that the West Virginia Legislature:

1. Authorize the agency to promulgate the Legislative Rule
 - (a) as originally filed
 - (b) as modified by the agency
2. Authorize the agency to promulgate part of the Legislative rule; a statement of reasons for such recommendation is attached.
3. Authorize the agency to promulgate the Legislative rule with certain amendments; amendments and a statement of reasons for such recommendation is attached.
4. Authorize the agency to promulgate the Legislative rule as modified with certain amendments; amendments and a statement of reasons for such recommendation is attached.
5. Recommends that the rule be withdrawn; a statement of reasons for such recommendation is attached.

Pursuant to Code 29A-3-11(c), this notice has been filed in the State Register and with the agency proposing the rule.