

**WEST VIRGINIA  
SECRETARY OF STATE  
BETTY IRELAND  
ADMINISTRATIVE LAW DIVISION**

Form #4

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WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF RULE MODIFICATION OF A PROPOSED RULE**

AGENCY: WV STATE AUDITOR'S OFFICE TITLE NUMBER: 155CSR7

CITE AUTHORITY: 12-3-10(a)

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 7

TITLE OF RULE BEING AMENDED: "State Purchasing Card Program"

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: \_\_\_\_\_

TITLE OF RULE BEING PROPOSED: \_\_\_\_\_

THE ABOVE PROPOSED LEGISLATIVE RULES, 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

#5.80



# State of West Virginia

Office of the State Auditor  
1900 Kanawha Boulevard, East  
State Capitol Complex, Building 1, Room W-100  
Charleston, West Virginia 25305

Telephone: (304) 558-2251  
FAX: (304) 558-5200  
[www.wvsao.gov](http://www.wvsao.gov)

Glen B. Gainer III  
State Auditor

October 17, 2007

Ms. Judy Cooper  
Director  
Administrative Law Division  
Secretary of State's Office  
Capitol Complex  
Charleston, West Virginia 25305

RE: 155CSR7 – "State Purchasing Card Program"

Dear Ms. Cooper:

This letter will serve as my approval to file the above-referenced rule with your office and Legislative Rule-Making Review Committee as "Notice of Rule Modification of a Proposed Rule."

If you should have any questions concerning the above, please call Carrie Chambers in my office at 558-2251. Your assistance in this filing is very much appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen B. Gainer III".

Glen B. Gainer III  
State Auditor

GBGIII:cc

Attachment

c: Carrie Chambers

**QUESTIONNAIRE**

*(Please include a copy of this form with each filing of your rule: Notice of Public Hearing or Comment Period; Proposed Rule, and if needed, Emergency and Modified Rule.)*

DATE: July 24, 2007

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: (Agency Name, Address & Phone No ) WV State Auditor's Office, Capitol Complex,  
Room W100, Charleston, WV 25405  
558.2251

LEGISLATIVE RULE TITLE: 155CSR7 - "State Purchasing Card Program"

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

2. a. Date filed in State Register with Notice of Hearing or Public Comment Period:  
June 21, 2007

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

c. Date of Public Hearing(s) *or* Public Comment Period ended:  
Comment Period Ended July 23, 2007 - - 5:00 p.m.

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

Attached \_\_\_\_\_ No comments received X

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

July 25, 2007

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- f. **Name, title, address and phone/fax/e-mail numbers** of agency person(s) to receive all *written correspondence* regarding this rule: (Please type)

Carrie J. Chambers, Executive Assistant to State Auditor, Capitol Complex, Room

W100, Charleston, WV 25305. Phone: 558.2251 Fax: 558.2261

Email carrie.chambers@wvsao.gov

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- g. **IF DIFFERENT FROM ITEM 'f'**, please give **Name, title, address and phone number(s)** of agency person(s) who wrote and/or has responsibility for the contents of this rule: (Please type)

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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.

N/A

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b. Date of hearing or comment period:

N/A

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

N/A

d. Attach findings and determinations and reasons:

Attached N/A

## **BRIEF SUMMARY OF PROPOSED RULE**

### **155CSR7 – "STATE PURCHASING CARD PROGRAM"**

**155CSR7 explains and clarifies the operative procedures for the State Purchasing Card Program. The Program provides the preferred method of payment for good and services.**

## **STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE**

**Senate Bill 203, which was passed during the 2007 Legislative Session, mandated the creation of the purchasing improvement fund to receive a share of the rebates received from purchasing card vendors and to authorize the use of purchasing cards for regular routine payments, travel and emergency purchases, and cash advances for travel purchases.**

**FISCAL NOTE FOR PROPOSED RULES**

Rule Title: "State Purchasing Card Program" \_\_\_\_\_

Type of Rule:  Legislative  Interpretive  Procedural

Agency: WV State Auditor's Office \_\_\_\_\_

Address: Capitol Complex, Room W100 \_\_\_\_\_  
Charleston, West Virginia 253405 \_\_\_\_\_

Phone Number: 304.558.2251 \_\_\_\_\_ Email: [Carrie.Chambers@wvsao.gov](mailto:Carrie.Chambers@wvsao.gov) \_\_\_\_\_

**Fiscal Note Summary**

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

NONE
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**Fiscal Note Detail**

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "-" )	Next Increase/Decrease (use "-" )	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost			
Personal Services			
Current Expenses			
Repairs & Alterations			
Assets			
Other			
2. Estimated Total Revenues			

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

Rule Title: "State Purchasing Card Program"

3. **Explanation of above estimates (including long-range effect):**  
Please include any increase or decrease in fees in your estimated total revenues.

NONE

**MEMORANDUM**

Please identify any areas of vagueness, technical defects, reasons the proposed rule **would not** have a fiscal impact, and/or any special issues **not** captured elsewhere on this form.

None

Date: June 21, 2007

Signature of Agency Head or Authorized Representative  
*Terrie J. Chambers*

TITLE 155  
DEPARTMENT OF ADMINISTRATION  
PURCHASING DIVISION AND STATE AUDITOR

SERIES 7  
STATE PURCHASING CARD PROGRAM

FILED  
2008 JAN 10 AM 10:22

OFFICE OF THE  
SECRETARY OF STATE

**§155-7-1. General.**

1.1. Scope. -- This ~~Legislative Rule~~ legislative rule is an explanation and clarification of operative procedures for the State Purchasing Card Program. This program provides ~~an alternative process for the purchase of and the preferred method of payment for goods and services in Transactions which do not exceed the Transaction Limit.~~

1.2. Authority. -- WV Code §12-3-10a.

1.3. Filing Date. -- .

1.4. Effective Date. -- .

**§155-7-2. Definitions.**

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

2.2. "Cardholder" means the individual responsible for and named on the purchasing card Pcard.

~~2.3.3.~~ "Spending officer Chief Financial Officer" means the ~~executive head of a spending unit, or a person designated by him or her~~ individual responsible for oversight of the financial activity within a spending unit.

2.4. "Director of Auditing" means the audit program administrator for the Auditor's purchasing card division.

2.5. "Director of Operations" means the operations' program administrator for the Auditor's purchasing card division.

2.4.6. "Emergency management or response personnel" means all persons

acting under color of authority of state law engaged in rescue efforts, emergency or disaster relief recovery or coordination of emergency services, and are identified as such by ~~the Governor~~ a Board of Public Works member or the President of an institution of higher education as set forth in subsection subsections 3.2 and 3.3 of this rule.

2.3.7. "Executive Director" means the ~~Director of the Purchasing Division of the Department of Administration and/or program administrator for the Auditor's office.~~ individual appointed by the Auditor to oversee and coordinate the operations and audit functions of the Purchasing Card Program and manage the purchasing card division.

2.5.8. "Goods" means commodities, supplies, materials, printing, equipment, and any other articles or items used by or furnished to a spending unit.

2.6.9. "Maintenance" means services to including, but not limited to, the care and preservation of facilities, grounds, maintain an item of equipment or computer software, including parts incidental to providing the service.

2.7.10. "Point of Sale Vendor" means the point of sale or supplier of goods or services ~~purchased with that accepts the Purchasing Card, not the State Purchasing Card Provider~~ purchasing card for payment.

2.8.11. "Purchasing card" or "card" "Pcard" means the ~~charge card authorized by the Director to provide payment account issued by the financial institution to make payment for Transactions~~ transactions.

~~2.9. "Purchasing Card Authorization Administrator" or "Authorization Administrator" means the individual designated by the Director to coordinate the Purchasing Card Program.~~

~~2.40.12. "Purchasing Card Coordinator" or "Coordinator" means the individual designated by the spending officer to coordinate spending unit's Chief Financial Officer or his or her designee responsible for the administration of the State Purchasing Card Pcard Program within his or her spending unit.~~

~~2.44.13. "Purchasing Card Provider" or "Provider" means the entity financial institution providing the State with Purchasing Card Pcard services.~~

~~2.42.14. "Services" means the furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. Services include maintenance and utilities, but do not include tax reportable services vendor.~~

~~2.44.15. "Spending unit" means a department, agency or institution of State government for which an appropriation is requested, or to which an appropriation is made by the Legislature.~~

~~2.45.16. "State Purchasing Card Program" or "Pcard program" Program" means the purchase of and payment for Transactions which do not exceed the Transaction Limit through use of the Purchasing Card Division of the Auditor's office that administers, oversees and enforces the rules, procedures, and operations governing use of the Pcard.~~

~~2.16. "Statewide Contract" means a legally binding instrument competitively bid, awarded and maintained by the Purchasing Division to provide services or tangible goods to all state spending units at a specified price. Statewide contract usage is mandatory for all agencies under the~~

~~jurisdiction of the Purchasing Division and available (upon mutual consent) to agencies not under the jurisdiction of the Purchasing Division.~~

~~2.17. "Transactions" means the purchase of and payment for:~~

~~2.17.a. Goods the cost of which do not exceed the Transaction Limit;~~

~~2.17.b. Services, as follows including but not limited to, maintenance and utilities;~~

~~2.17.b.1. Maintenance;~~

~~2.17.b.2. Utilities no transaction Limit; and~~

~~2.17.b.3. Any other Services not exceeding the Transaction Limit which are not tax reportable.~~

~~2.17.c. Registration, license or membership fees for institutions spending units or for individuals where the fees are required for the performance of the employee's job;~~

~~2.17.d. Tuition for seminars, academic courses, or other education, continuing or otherwise as are required for the performance of an employee's job duties and authorized by law or Attorney General opinion;~~

~~2.17.e. Travel for Higher Education, not to exceed \$5,000 for any purchase, except where approved by the Auditor, where the travel is required for the performance of the employee's job; provided that, except for West Virginia University and Marshall University, the purchasing card shall not be used to pay for the purchase of food or fuel costs associated with the travel in accordance with the applicable spending unit guidelines; and~~

~~2.17.f. Routine, regularly scheduled payments of Higher Education not to~~

exceed \$5,000 for any purchase unless approved by the Auditor. Routine, regularly scheduled payments of Higher Education means This includes all payments which have either received Attorney General approval in accordance with statute or do not require such approval, and are made on a regular, predictable and routine basis whether weekly, monthly, annually, or on any other regular schedule. The routine, regularly scheduled payments shall include but are not are limited to the following: association dues; accreditation fees; contracts; software licenses and maintenance fees; resale merchandise; maintenance contracts; temporary space rentals; inter-library loan charges; inter/intra-institutional charges; contracts for artists, entertainers, and speakers; open end contracts; license fees of all types; utilities of all types; ~~Federal, federal, State state~~ and Municipal municipal fees and assessments; real property rental fees; postage; books and related items, including those for libraries and bookstores; hospitality expenses; travel expenses; shipping, handling, and freight charges; advertising; subscriptions; periodicals, and publications; athletic and academic team related expenses; and necessary job related medical or drug testing and treatment.

2.18. "Transaction Limit" means the maximum dollar amount permitted in any single Transaction transaction as follows: approved by the Auditor.

~~2.18.a. For the period beginning July 1, 2000, the maximum dollar amount is \$2,500, except as provided in subdivisions 2.17.e, 2.17.f, and 2.18.c, d, and e of this subsection;~~

~~2.18.b. Cumulative purchases including maintenance not foreseen to exceed state purchasing or higher education guidelines are eligible for payment by the purchasing card;~~

~~2.18.c. For specified emergency cards, in the event of a state of emergency as defined in Chapter 15, the transaction~~

~~limit is the credit limit associated with the card and as provided in WV Code 18B-5-9, the transaction limit for Higher Education is the credit limit associated with the card, where approved by the Auditor;~~

~~2.18.d. For specified cards, the transaction limit may be \$5,000 for institutions of higher education; and~~

~~2.18.e. For specified regular, routine payments of Higher Education as set forth in WV Code 18B-5-9, the transaction limit is the credit limit associated with the card where approved by the Auditor.~~

2.19. "Utilities" means electricity, gas, heating oil, ~~telephone, television cable~~ telecommunications, water, sewage, garbage collection, and similar services.

### **§155-7-3. Applicability.**

3.1. This legislative rule applies to all spending units of State government except those statutorily exempted. Exempted spending units may elect to follow the provisions of this rule.

3.2. In the event of a public necessity, rescue, relief, disaster, or state or federally declared emergency, a member of the Board of Public Works ~~rescue relief or disaster, the Governor or his or her designee may authorize the use of the purchasing card Pcard for use by emergency management or response personnel. Emergency management and response personnel may use the purchasing card Pcard for all transactions permitted by this rule as well as for travel, lodging, meals and the purchase of immediate goods and services following the applicable law or rule relating to the Purchasing Division: Provided, That the Governor Board of Public Works member or his or her designee shall provide to the Authorization Administrator~~ Director of Operations a list containing the names of persons designated as emergency management and response personnel, and any other information required for the

~~issuance use of a state purchasing card Pcard. An emergency terminates thirty (30) days from the date of proclamation occurrence unless previously extended or terminated by written proclamation in writing by the governor initiating member. Provided, however, That emergency use of the purchasing card Pcard is permitted only during the emergency, public necessity, rescue relief or disaster, to which the emergency management or response personnel are responding, and that upon the proclamation of the termination of the emergency, public necessity, rescue relief or disaster by the Governor initiating member, or the passage by the legislature of a concurrent resolution terminating such the emergency, public necessity, rescue relief or disaster, the privilege of use terminates. Provided, further, That emergency management and response personnel have an additional thirty (30) days after the termination of the emergency to pay invoices for goods and services rendered during the state of declared emergency.~~

3.3. In the event of an emergency affecting an institution of Higher Education, declared by the president of the institution and approved by the chancellor, the president or his or her designee may authorize the use of an emergency purchasing card Pcards by a designated representatives. Provided, That the president or his or her designee shall provide to the Authorization Administrator Director of Operations a list containing the names of designated emergency purchasers, and any other information required for the ~~issuance use of a state purchasing card Pcard. An emergency terminates thirty (30) days from the date of proclamation, unless previously extended or terminated by written proclamation signed by the president and approved by the chancellor. Provided, however, That emergency use of the purchasing card Pcard is permitted only to pay for goods and services rendered during the emergency. Provided, further, That the institution shall have an additional thirty (30) days after the~~

termination of the emergency to pay for goods and services rendered during the emergency.

#### **§155-7-4. Power and Authority.**

4.1. The Director of Operations may:

4.1.a. Allow agency participation in the Pcard Program;

4.1.b. Require documentation of appropriate accounting and internal control procedures related to Pcard use;

4.1.a.c. Allow card Pcard purchases of Transactions transactions not exceeding Transaction Limits transaction limits;

~~4.1.b. Establish the manner in which spending units may purchase supplies directly from the State's central storerooms or other spending units using the program;~~

4.1.e.d. Prohibit Establish the procedures by which spending units may use of the card Pcard for cash advances;

~~4.1.d. Ensure goods and services purchased are received in advance of or simultaneously with use of the Purchasing Card;~~

~~4.1.e. Ensure cards are used for official state purchases only;~~

4.1.f.e. Review Monitor spending unit records of card purchases transactions;

4.1.g.f. In joint effort with the Auditor Director of Auditing, resolve questions and conflicts regarding procedural matters related to the implementation and administration of the card Pcard; questions that relate to significant policy changes require joint approval with the Auditor;

4.1.h.g. Revoke authority to use a card Pcard at any level of use if Director it is determines determined that a spending unit is in violation of this rule;

~~4.1.i.h. In joint effort with the Auditor, draft Draft letters and memorandum concerning purchasing card Pcard policies and procedures and changes in the program;~~

~~4.1.j.i. Maintain a current cardholder list;~~

~~4.1.k.j. In joint effort with the Auditor, coordinate Coordinate contractual agreements between the Provider and the State of West Virginia;~~

~~4.1.l.k. Receive, Review review and approve new card PCard application forms and cardholder maintenance forms reflecting cancellations or other changes to cardholder information;~~

~~4.1.m.l. Maintain a Pcard coordinator listing with the Auditor list;~~

~~4.1.n.m. In joint effort with the Auditor, advise Advise and train coordinators and cardholders in correct business usage of the card Pcard;~~

~~4.1.o.n. Authorize cardholder renewals;~~

~~4.1.p.o. Approve all limit changes for cardholders and spending units as requested by the coordinators;~~

~~4.1.q.p. In joint effort with the Auditor, research Research new applications for the Purchasing Card Pcard;~~

~~4.1.r.q. In joint effort with the Auditor, assist Assist spending units with establishing purchasing card Pcard programs Programs;~~

~~4.1.s.r. In joint effort with the Auditor, assist Assist point of sale vendors who wish to participate in the purchasing card Pcard program Program; and~~

~~4.1.t.s. Direct the Purchasing Card Provider Pcard provider to restrict the a~~

Point point of Sale sale Vendor vendor from using the program when the restriction is in the best interest of the State;

4.1.t. Establish procedures for documenting, reconciling and paying invoices for Pcard transactions.

4.1.u. Approve the format of Pcard provider invoices;

4.1.v. Monitor available credit by spending units on a daily basis, and, when necessary intervene with the provider and/or spending unit to prevent a spending unit from exceeding the maximum credit level; and

4.1.w. In joint effort with the Director of Auditing, market the program to spending units, the general public and municipalities.

4.2. The Auditor Director of Auditing may:

4.2.a. Establish procedures for documenting, reconciling and paying invoices for card purchases;

4.2.b.a. Establish the manner of inspecting inspection and review of all records and reconciling reconciliation of documents involving associated with card purchases Pcard transactions;

4.2.b. Conduct inspections and reviews associated with Pcard transactions;

4.2.c. Require documentation of appropriate accounting and internal control procedures;

4.2.d. Determine that goods and services purchased are properly received;

4.2.e. Determine if Pcard transactions are in compliance with applicable law, rules and regulations, and policies and procedures and other governing instruments;

4.2.f. In joint effort with the Director

of Operations, resolve questions and conflicts regarding procedural matters related to the implementation and administration of the Pcard;

4.2.g. Revoke authority to use Pcards at any level of use if it is determined that a spending unit is in violation of this rule; and

4.2.c. Establish the manner in which spending units document purchases and reconciliation invoices prior to submission of the invoices to the Auditor for payment;

4.2.d. Approve the format of Purchasing Card Provider invoices;

4.2.e. In cooperation with the State Treasurer, assess and collect penalty fees against spending units for failing to use the card for Transactions that qualify for the program, and deposit the fees in the Technology Support and Acquisition Fund. The Auditor and Treasurer shall set the fee in a legislative rule;

4.2.f.h. In joint effort with the Director of Operations, market the program to spending units, the general public and other states and municipalities;

4.2.g. Receive cardholder maintenance forms reflecting cancellations or other changes to cardholder information; and

4.2.h. Monitor available credit by spending unit on a daily basis, and, when necessary, intervene with the Provider and/or spending unit to prevent a spending unit from exceeding the maximum credit level.

#### 4.3. Purchasing Card Coordinators:

4.3.a. Each spending unit's procurement administrator Chief Financial Officer or his or her designee shall serve as the spending unit Purchasing Card Pcard Coordinator and shall determine to whom cards Pcards will be issued based upon the

purchasing authority of each individual;

4.3.b.a.1. Purchasing Card Pcard Coordinators may restrict usage of the card Pcard consistent with the needs of the spending unit.

4.3.a.2. A Pcard Coordinator shall maintain appropriate accounting and internal control procedures for his or her spending unit.

#### 4.4. Penalties:

The Auditor may, in cooperation with the State Treasurer, assess and collect penalty fees against spending units for failing to use the Pcard for transactions that qualify for the program, and deposit the fees in the Technology Support and Acquisition Fund. The Auditor and Treasurer shall set the fee in a legislative rule.

#### ~~§155-7-5. Point of Sale Vendor Participation.~~

~~5.1. Each Point of Sale Vendor desiring to participate in the program is solely responsible for contracting or enrolling with the Purchasing Card Provider under the terms and conditions set forth in the agreement between the Purchasing Division and Purchasing Card Provider.~~

#### ~~§155-7-6.5. Payment Methods.~~

~~6.5.1. The provisions of WV Code §5A-3-1 et seq., and the Purchasing Division Purchasing Rules, 148 CSR 1, apply to purchases made with the card Pcard, except where exempt by statute.~~

~~6.5.2. The cards are Pcard is to be used in the State's best interest.~~

~~6.3. The card may be used as a payment method for releases (orders) against statewide contracts, in accordance with the transaction limit as set forth in subsection 2.18 of this rule, excluding those requiring advance approval of the~~

~~Purchasing Division. There is no annual limit for payments against statewide contracts.~~

~~6.4. With the written approval of the Auditor and the Director to the department head or chief fiscal officer of an agency, an agency may use the card as a payment method on agency open-ended contracts.~~

#### **§155-7.6. Itemizing Claims for Payment.**

~~7.1. A spending unit is not required to submit individual itemized vendor invoices for purchases made with the card that do not exceed the Transaction Limit.~~

~~7.2. 6.1. The Purchasing Card Pcard Provider provider shall provide issue a consolidated multiple vendor invoice detailed statement of transactions to the spending officer of each spending unit, as required by the Auditor. A spending officer The Auditor may consolidate payments into one monthly payment to the Purchasing Card Provider. Each spending unit may require changes in the format of invoices to meet its needs, with the approval of the Auditor.~~

#### **§155-8.7. Violations.**

~~8.7.1. Any person who authorizes or approves a purchase or contract payment uses a Pcard in a manner in which violations violates of this rule or the West Virginia Code is guilty of a felony, pursuant to WV Code §12-3-10b.~~

## ENGROSSED

**Senate Bill No. 203**

(By Senators Tomblin, Mr. President, and Caruth,

By Request of the Executive)

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 [Introduced January 24, 2007. Referred to the Committee on Finance.]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §5A-3-58; and to amend and reenact §12-3-10a, §12-3-10d and §12-3-10e of said code, all relating to the state Purchasing Card Program; creating the Purchasing Improvement Fund; authorizing use of purchasing cards for regular routine payments, travel and emergency purchases and cash advances for travel purchases; authorizing expenditures from the Purchasing Card Administration Fund to pay expenses related to the use of the card and the general operation of the Auditor's office; providing expenditure from the fund for the Hatfield-McCoy Regional Recreation Authority; and adding members to the Purchasing Card Advisory Committee.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §5A-3-58; and that §12-3-10a, §12-3-10d and §12-3-10e of said code be amended and reenacted, all to read as follows:

**CHAPTER 5A. DEPARTMENT OF ADMINISTRATION.**

**ARTICLE 3. PURCHASING DIVISION.**

**§5A-3-58. Creation of the Purchasing Improvement Fund.**

There is hereby created in the State Treasury a special revenue account to be known as the Purchasing Improvement Fund. The Purchasing Improvement Fund shall receive funds transferred from the Purchasing Card Administration Fund by the Auditor pursuant to section ten-d, article three, chapter twelve of this code and shall be administered by the secretary. Expenditures from the fund shall be for the purposes set forth in this article and are not authorized from collections but are to be made only in accordance with appropriation by the Legislature and in accordance with the provisions of article three, chapter twelve of this code and upon fulfillment of the provisions of article two, chapter eleven-b of this code: *Provided*, That for the fiscal year ending the thirtieth day of June, two thousand eight, expenditures are authorized from collections rather than pursuant to appropriation by the Legislature.

**CHAPTER 12. PUBLIC MONEY AND SECURITIES.**

**ARTICLE 3. APPROPRIATIONS, EXPENDITURES AND DEDUCTIONS.**

**§12-3-10a. Purchasing Card Program.**

Notwithstanding the provisions of section ten of this article, payment of claims may be made through the use of the state Purchasing Card Program authorized by the provisions of this section. The Auditor, in cooperation with the Secretary of the Department of Administration, may establish a state Purchasing Card Program for the purpose of authorizing all spending units of state government to use a purchasing card as an alternative payment method. ~~when making small purchases.~~ The Purchasing Card Program shall be conducted so that procedures and controls for the procurement and payment of goods and services are made more efficient. The program shall permit spending units to use a ~~purchase charge~~ purchasing card to ~~purchase~~ pay for goods and services. ~~The amount of any one purchase made with the purchase charge card shall not exceed the amount contained in the jointly proposed rules of the Auditor and the Purchasing Division of the Department of Administration proposed in accordance with the provisions of article three, chapter twenty-nine-a of this code.~~ *Provided*, That purchasing Notwithstanding any other provision of this code to the contrary, a purchasing card may be used to make any payment authorized by the Auditor, including regular routine payments and travel and emergency payments, and such payments shall be set at an amount to be determined by the Auditor. Purchasing cards may not be utilized for the purpose of obtaining cash advances, whether the advances are made in cash or by other negotiable instrument: *Provided*, That purchasing cards may be used for cash advances for travel purchases upon approval of the Auditor. Purchases of goods and services must be received either in advance of or simultaneously with the use of a state purchasing card for payment for those goods or services. The Auditor, by legislative rule, may eliminate the requirement for vendor invoices and provide a procedure for consolidating multiple vendor payments into one monthly payment to a charge card vendor. Selection of a charge card vendor to provide state purchase cards shall be accomplished by competitive bid. The Purchasing Division of the Department of Administration shall contract with the successful bidder for provision of state ~~purchase charge~~ purchasing cards. ~~Purchase charge~~ Purchasing cards issued under the program shall be used for official state purchases only. The Auditor and the director of the Purchasing Division of the Department of Administration shall ~~jointly~~ propose rules for promulgation in accordance with the provisions of article three, chapter twenty- nine-a of this code to govern the implementation of the purchase card program.

**§12-3-10d. Purchasing Card Fund created; expenditures.**

- (a) All money received by the state pursuant to any agreement with vendors providing purchasing charge cards, and any interest or other return earned on the money, shall be deposited in a special revenue revolving fund, designated the Purchasing Card Administration Fund, in the State Treasury to be administered by the Auditor. The fund shall be used to pay all expenses incurred by the Auditor in the implementation and operation of the Purchasing Card Program ~~shall be paid from the fund~~ and may be used to pay expenses related to the general operation of the Auditor's office. The Auditor also may use the fund to pay expenses incurred by spending units associated with the use of the card, including system and program enhancements, and inspection and monitoring of compliance with all applicable rules and procedures. Expenditures from the fund shall be made in accordance with appropriations by the Legislature pursuant to the provisions of article three, chapter twelve of this code and upon fulfillment of the provisions of article two, chapter five-a of this code.
- (b) Within three days of receiving rebate moneys resulting from state spending unit purchasing card purchases, the Auditor shall transfer fifteen and one-half percent of such rebate moneys to the Purchasing Improvement Fund created pursuant to section fifty-eight, article three, chapter five-a of this code.
- (c) Within three days of receiving rebate moneys resulting from state spending unit purchasing card purchases, the Auditor shall transfer fifteen and one-half percent of such rebate moneys to the Hatfield-McCoy Regional Recreation Authority.

**§12-3-10e. Purchasing Card Advisory Committee created; purpose; membership; expenses.**

There is created a Purchasing Card Advisory Committee to enhance the development and implementation of the purchasing card program. The committee shall solicit input from state agencies and make recommendations to improve the performance of the Purchasing Card Program. The committee consists of ~~eleven~~ fourteen members to be appointed as follows:

- (1) The Auditor shall serve as chairperson of the committee and shall appoint ~~three~~ four members from the State College System of West Virginia and the University System of West Virginia, one member from the Department of Health and Human Resources, ~~and~~ one member from the Division of Highways and two additional members at large from any state agency;
- (2) The Secretary of the Department of Administration shall appoint one member from the Information Services and Communications Division, one member from the Financial Accounting and Reporting Section and one member from the Purchasing Division;
- (3) The Secretary of the Department of ~~Tax and~~ Revenue shall appoint one member from the Department of ~~Tax and~~ Revenue; and
- (4) The State Treasurer shall appoint one member from that office. Committee members shall be appointed for a term of one year, commencing on the first day of July, one thousand nine hundred ninety-eight. Committee members shall receive reimbursement for expenses actually incurred in the performance of their duties on the committee.